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LISTING STATEMENT NO. 2631

LISTED June 26, 1973.
5,360,955 Common Shares without par value of which 998,108 shares are subject to issuance.

Stock Symbol DIL
Post Section 4.6A

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

DELTEC INTERNATIONAL LIMITED

Incorporated under the laws of the Province of Ontario, Canada, by letters patent dated May 28, 1964

CUSIP 247830 20 4

CAPITALIZATION AS AT MAY 31, 1973

SHARE CAPITAL	Authorized	Issued and Outstanding	To Be Listed
Cumulative convertible preference shares with a par value of \$7.50 U.S.	743,108	743,108	Nil
Common shares without par value	10,000,000	4,362,847	5,360,955 (1)

FUNDED DEBT

The Company itself has no funded debt. For certain details of debt of subsidiaries, see Item 11 below.

(1) In addition to issued and outstanding common shares, this includes 743,108 common shares into which the issued and outstanding cumulative convertible preference shares of the Company are convertible on a share-

for-share basis; 242,000 common shares of the Company which are the subject matter of outstanding stock options, 233,000 of which were granted under the Deltec International Limited Qualified Stock Option Plan and 9,000 of which were granted under a similar plan of a predecessor company and assumed by Deltec International Limited; and 13,000 common shares of the Company reserved for future options under the Deltec International Limited Qualified Stock Option Plan.

1. APPLICATION

Deltec International Limited (the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 5,360,955 common shares without par value, of which 4,362,847 such shares are issued and outstanding as fully paid and non-assessable. The remaining 998,108 common shares included in this application have been reserved for conversion of preference shares and issuance under certain stock options as outlined under the heading "Capitalization" above.

2. HISTORY

On March 11, 1969, the Company acquired substantially all of the assets and businesses of two corporations: IPL inc. (formerly International Packers Limited), a Delaware corporation, by issuance of 3,368,413 common shares of the Company, and Deltec Panamerica S.A., a Panama corporation, by issuance of 743,108 cumulative convertible preference shares and 977,934 common shares of the Company. The shares that Deltec Panamerica S.A. received in exchange and continues to own, constitute approximately 34% of voting shares of the Company.

Deltec Panamerica S.A. had been engaged, through subsidiaries, in investment and merchant banking, principally in and for Latin America. IPL inc. had been engaged, primarily through subsidiaries, in the production of meat and meat products in Argentina, Brazil, Australia and New Zealand, and their marketing throughout the world, principally in the United States and Europe. Both companies were engaged in activities related to their principal business. In the case of IPL inc., these included cattle ranching and the production and marketing of vegetable oil and grocery products, while Deltec Panamerica S.A. had made equity investments in sugar mills, flour mills, and a fishmeal producer, all in South America. Both companies had substantial real estate holdings, mainly in Brazil.

Shortly after the time of the above-described combination, it became the announced objective of the Company to seek local equity participation in its manufacturing operations. At the present time, the only remaining meat packing operation is a minority interest in Swift New Zealand Company Limited. In addition, the Company has ranching interests in Australia (the sale of which is presently under negotiation) and Argentina. Proceeds of the sales of its industrial operations are being utilized in its investment and merchant banking business, which has been steadily expanding and which is the Company's principal activity.

3. NATURE OF BUSINESS

The Company, through its wholly-owned subsidiary, The Deltec Banking Corporation Limited, engages in investment and merchant banking on an international scale. Primarily through other subsidiaries, the Company also engages in the production and distribution of food products and in real estate and resort development activities. These three lines of business are more fully described below:

(a) *Investment and Merchant Banking* — This line of business is a complex of international banking, securities investment, and trading. The mainstream of these operations consists of making loans to, or discounting paper issued by, industrial, commercial or agricultural enterprises or government agencies in various parts of the world, but predominantly in Latin America; and the placement of participations in such loans and discounts, principally with banks and other institutional investors in Europe and the United States.

(b) *Meat and Grocery Products* — This line of business now consists of the distribution of meat and meat products, including by-products of meat-packing, and grocery products such as sugar and canned fruits and vegetables. The principal food distribution units are located in the United States, Canada, the United Kingdom, Belgium, Spain, Germany, and Italy. The principal markets are North America, the United Kingdom, and Continental Europe. The primary sources of supply are South America, Australasia, and Europe.

(c) *Real Estate and Resort Development* — These activities consist of urban and suburban development in several locations in Brazil, principally in Sao Paulo, and a land development and resort complex known as Treasure Cay which is located on Abaco Island in the Bahamas.

The annual volume for previous years for the Financial Division, represented by the Company's wholly-owned subsidiary, The Deltec Banking Corporation Limited, is set forth in the table on page 8 of the attached Annual Report. It is not practicable to state in terms of physical units the amounts of the annual volume of the Company's Food Distribution Division and the Real Estate Division for the past five years. However, the size of the businesses are indicated on their combined statements of net assets and income as set out in Notes 8 and 9, respectively, to the audited financial statements included in the Annual Report.

With respect to the Food Distribution Division, and as explained in Note 8 to the financial statements, the net assets and income of Brazil subsidiaries are separately shown in view of negotiations pending at September 30, 1972, for the sale of such subsidiaries. Such sale has since been consummated.

In the case of the Real Estate Division and as explained in Note 1 to the financial statements, the Company did not own a majority interest in Treasure Cay Limited prior to 1971, and thus the Company did not reflect a real estate division in its accounts prior to September 30, 1970.

The total number of employees employed by the Company and its subsidiaries which are reflected in the consolidated accounts, is approximately 1,500.

4. INCORPORATION

The Company was incorporated under the laws of the Province of Ontario by letters patent dated May 28, 1964, under the name Leach's Estates (Canada) Limited, with an authorized capital divided into 2,000,000 shares with a par value of \$1 each. By supplementary letters patent dated January 20, 1969, the Company's name was changed to Deltec International Limited. By supplementary letters patent dated March 3, 1969, the share capital of the Company was changed and increased so that the authorized capital was \$80,573,310 (U.S.) divided into 743,108 cumulative convertible preference shares with a par value of \$7.50 (U.S.) each and 10,000,000 common shares with a par value of \$7.50 (U.S.) each. The conditions attaching to such preference shares are more fully set forth below. By articles of amendment effective on April 6, 1972, the common shares of the Company were changed into common shares without par value, issuable for a maximum consideration of \$75,000,000 (U.S.).

5. SHARES ISSUED

The Company in its present form was activated in 1969, at which time it issued 4,346,347 common shares and 743,108 preference shares in return for substantially all of the assets and businesses of IPL inc. and Deltec Panamerica S.A. No additional preference shares have been issued. Increases in issued and outstanding common shares after March 11, 1969, as shown below, resulted from the exercise of stock options under the Company's Plans.

	Total Common Shares Outstanding		
Common Shares issued in 1969 as above			4,346,347
Shares issued upon the exercise of stock options:			
	<u>Consideration</u>	<u>Shares</u>	
From March 11, 1969, to September 30, 1969	\$146,678 (U.S.)	12,500	
In the current fiscal year	<u>23,000</u>	<u>4,000</u>	<u>16,500</u>
	<u>\$169,678 (U.S.)</u>		
Total common shares presently issued and outstanding			4,362,847

6. SHARE PROVISIONS AND VOTING POWERS

Each common share and each cumulative convertible preference share of the Company carries one vote at all meetings of shareholders. The following is a summary of the preferences, rights, conditions, restrictions, and limitations attaching to the preference shares of the Company:

(a) Holders of preference shares are entitled to receive, when declared by the directors, fixed cumulative preferential cash dividends at the rate of 75¢ (U.S.) per share per annum, payable quarterly on the last days of March, June, September and December in each year. If a dividend payable is not paid in full on any dividend payment date, the dividend or unpaid part thereof must be paid on a subsequent date before any dividend may be paid on the common shares.

(b) When preferential dividends have been paid in full on the preference shares, the directors may declare that cash dividends are to be paid on the common shares at a rate not exceeding 75¢ (U.S.) per share per annum.

(c) Thereafter, further dividends (other than dividends payable in common shares of the Company) are to be paid in equal amounts on each preference share and common share. If a dividend on the common shares is payable in common shares of the Company, a dividend payable in preference shares is also to be declared on each preference share of the Company, with like provision being made for other obligations or shares convertible into shares of the Company.

(d) In the event of the liquidation, dissolution or winding up of the Company or other distribution of its assets among its shareholders for the purposes of winding up its affairs, holders of preference shares are entitled to receive all accrued and unpaid preferential dividends before any other amount is distributed to shareholders. Thereafter, any remaining assets and property are to be distributed to the holders of preference shares and common shares without preference or priority in equal amounts per share.

(e) A holder of any preference shares has the right at his option at any time to convert such preference shares into an equal number of fully paid and non-assessable common shares of the Company. The method of exercising such conversion right is prescribed in the share conditions. Upon any such conversion, there is to be no payment or adjustment by the Company or by the holder of the preference shares on account of any accumulated or unpaid dividends on the preference shares which are converted, or on account of any dividends on the common shares issuable on such conversion.

(f) On any subdivision, reclassification, change or combination of common shares, like provision is to be made for the preference shares with the annual rate of dividends being adjusted accordingly. On any rights issue to holders of common shares, like rights in respect of preference shares are to be given to holders of preference shares.

(g) In the event of any consolidation, amalgamation or reorganization of the Company into or with another corporation or of a change in the common shares into a different class of shares, each preference share is convertible into the kind and amount of shares of stock and other securities and property receivable thereupon.

(h) The authorization for an application to issue articles of amendment to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the preference shares or to create preference shares ranking in priority to or on a parity with the preference shares, in addition to the authorization by a special resolution, may be given by at least two-thirds of the votes cast at a meeting of the holders of preference shares duly called for that purpose.

Deltec Panamerica S.A., the holder of all the authorized and outstanding preference shares, has agreed that all preference shares not voluntarily converted by April 1, 1974, will be converted at that date.

7. DIVIDEND RECORD

The Company has paid no dividend on its common shares. Its predecessor, IPL inc., had paid no dividend on its shares since April, 1964. Its other predecessor, Deltec Panamerica S.A., prior to the combination on March 11, 1969, had not paid any dividends on its common stock but had paid dividends on its preferred stock in accordance with the requirements applicable thereto.

The Company has regularly paid quarterly dividends on its preference shares since they were issued in March, 1969. Such dividends have amounted to \$557,000 per year (75¢ U.S. per share on 743,108 shares). There is no arrearage in dividends on the preference shares.

8. PROPERTIES

The following are the principal plants and other materially important physical properties of the Company and its subsidiaries, all of which are held in fee except as otherwise noted:

Argentina — The Company's meat packing subsidiary in Argentina, Cia. Swift de La Plata, owns and operates plants at Rosario de Santo Fe and La Plata, Argentina, and conducts related business in a number of other locations in that country. In 1970, after suffering substantial losses because of adverse conditions in the industry, this subsidiary applied for insolvency proceedings which remain pending at the present time before the Argentine courts. In November, 1971, the court appointed an administrator, who is now in complete control of the operation. In an unprecedented decision, the Argentine court has ruled that the Company's other assets in Argentina should be available to satisfy claims of creditors unpaid on eventual liquidation of the subsidiary. The Company has made provision in its accounts for loss of its investment in its subsidiary and for possible additional losses which may ultimately be incurred. The Company's sugar business, consisting of a plantation and sugar mill in Argentina, is one of the assets subject to the court proceedings referred to above. This is one of the largest and most efficient sugar operations in Argentina; its property comprises 177,000 acres, including 25,000 acres of flat fertile fields.

Australia — Two cattle ranches in Northern Territory and one in Queensland, all operated in joint venture with King Ranch, Inc. Aggregate area is more than five million acres. All three ranches are held under leases with expiration dates, respectively, in the years 1996, 2005 and 2010. The carrying capacity of the ranches is substantially fully utilized. Negotiations are pending for the sale of the subsidiary which conducts these operations.

Bahamas — Land and resort development complex at Treasure Cay, Abaco Island, comprising approximately 1,500 acres and including the following improvements: waterplant, power station, sewerage treatment plant, a 35-room hotel, an 18-hole golf course, tennis courts, 3 freshwater swimming pools, a marina, and other community and recreational facilities, and streets and roads in developed portions of the area.

A three-story office building in Nassau in which the Company maintains its corporate headquarters and the headquarters of certain subsidiaries.

Brazil — Approximately 6,300,000 square metres of vacant real estate at Anastacio, on the outskirts of Sao Paulo, Brazil, owned by a wholly-owned subsidiary and held for development and/or sale.

Approximately 2,500,000 square metres of real estate within the city of Piracicaba, State of Sao Paulo, in process of being developed and sold as residential, commercial and industrial lots.

United Kingdom — Meat processing and packaging facility at Cardiff; offal processing facility at Glasgow; office and two sales units in London and meat and grocery products sales units at the following locations: Watford, Southampton, Leeds, Liverpool, Birmingham, Bristol, Manchester, Glasgow, Cardiff.

All properties are leased except the sales unit at Southampton which is held in fee.

Other countries — The Company also maintains banking offices and meat sales units in various countries throughout the world, most of which are leased, and although the operations conducted therein are highly significant to the Company, the physical properties themselves are not significant.

10. SUBSIDIARY COMPANIES

Name	Place of Incorporation	Percentage of Voting Stock Owned by Immediate Parent
*Compania Swift de la Plata, S.A.F.	Argentina	99.74
*Compania de Navegacion Gandera y Comercial "Ganados" S.A.	Argentina	100
*Provita, S.A. Industrial y Comercial Financiera	Argentina	100
*Armour del Uruguay, S.A.	Uruguay	100
*Deltec Foods (Canada) Limited	Canada	100
*Deltec Foods Ltd.	United Kingdom	100
*Deltec Foods (España) S.A.E.	Spain	100
*Deltec Foods (Benelux) S.A.	Belgium	100
*Deltec Foods (Deutschland) GmbH.	Germany	100
*CSI Limited	Bahamas	100
**Compania City de Desenvolvimento	Brazil	54
**Vila Rezende Administracao e Participacoes Ltda.	Brazil	100
*Swift Australian Company (Pty.) Limited	Australia	100
*Sims Cooper (Freezing Works) Pty. Limited	Australia	100
*Georgina Downs Pty. Ltd.	Australia	100
**Anastacio - Administracao e Participacoes S.A.	Brazil	100
**Deltec Foods (Italia) S.P.A.	Italy	100
*Kent Products, Inc.	Panama	100
*IPL Services, Inc.	Pennsylvania, U.S.A.	100
Deltec Argentina S.A.F.C.y.M.	Argentina	100
Argentaria S.A. Compania Financiera	Argentina	99.45
Aregmin S.A. M.I.C.y.S.	Argentina	100
Valorega S.A.C.F. de M.y.S.	Argentina	100
Gestora del Sur S.A. Administradoras do Fundos Comunes de Inversion	Argentina	100
S.A. de Inversiones Sud Americanas	Argentina	99.70
*Ingenio La Esperanza S.A.	Argentina	94.35
**Treasure Cay Limited	Bahamas	86.69
**Abaco Utilities Limited	Bahamas	100
**Treasure Cay Beach Hotel Limited	Bahamas	100
The Deltec Banking Corporation Limited	Bahamas	100
Aymore — Administracao Assistencia e Representacoes Ltda.	Brazil	100
Pernambuco — Administracao, Assistencia e Representacoes Ltda.	Brazil	100
Celta-Corretagem Desenvolvimento Ltda.	Brazil	100

<u>Name</u>	<u>Place of Incorporation</u>	<u>Percentage of Voting Stock Owned by Immediate Parent</u>
Deltec Trust Company Limited	United Kingdom	100
Deltec Finance N.V.	Netherland Antilles	100
Deltec Buildings Limited	Bahamas	100
Deltec Trading Company Limited	Bahamas	100
The Nassau Management & Research Company Limited	Bahamas	55
Inversiones Deltec S.A.	Colombia	100
Colombo Mexicana de Inversiones S.A.	Colombia	50
Deltec Anval S.A.	Switzerland	100
Deltec Anval Limited	Bahamas	100
Deltec Securities Corporation	New York	100
Deltec Venezuela C.A.	Venezuela	100
Inversiones Plaza S.A.	Venezuela	100
Bahag Banking Limited	Switzerland	70
Banque Anval S.A.	Panama	100

The Company owns all of the above subsidiaries directly, except those which are indented, which are owned by the subsidiary under which they are indented. The above list excludes subsidiaries which are of immaterial significance.

The Food Distribution Division subsidiaries are indicated with an asterisk (*) and the Real Estate Division subsidiaries are indicated with a double asterisk (**). The other subsidiaries are all engaged in investment and merchant banking.

11. FUNDED DEBT OF THE COMPANY AND ITS SUBSIDIARIES

Consolidated Balance Sheet

Included in the consolidated accounts at September 30, 1972, are bank loans of \$35,353,000 (U.S.) and time deposits payable of \$51,633,000 (U.S.), which are debts of The Deltec Banking Corporation Limited. Such time deposits and bank loans are of a revolving nature and arise in the normal course of business, that is, primarily to finance the Bank's purchase of its "Loans and discounts" and "Bonds and other marketable securities".

Food Distribution Divison Balance Sheet

As detailed in Note 8 to the audited financial statements, the Food Distribution Division, as at September 30, 1972, had "term debt" payable totalling \$2,174,000 (U.S.) of which \$9,000 (U.S.) has since been paid, with the balance of \$2,165,000 (U.S.) still being owed by Swift New Zealand Company Limited. The latter is being used to finance the expansion of beef slaughtering and processing facilities in New Zealand. As noted in the letter to the shareholders included in the March 31, 1973, mid-year report herein attached, the Company now holds only a minority interest in Swift New Zealand Company Limited and therefore its accounts are no longer included in the Food Distribution Division balance sheet, although the Company's equity in the earnings of the New Zealand operations are recorded on a current basis.

As at September 30, 1972, the Food Distribution Division had bank lines available totalling \$43,301,000 (U.S.), of which \$16,784,000 (U.S.) were being utilized. Such bank lines are normally used to finance the purchase and importation of meat and grocery products.

Real Estate Division Balance Sheet

As at September 30, 1972, the bank loans payable by the Real Estate Division, consisted solely of those of Treasure Cay Limited in the amount of \$2,566,000 (U.S.). Since September 30, 1972, bank loans totalling \$1,886,000 (U.S.), which were originally received in connection with the development program at Treasure Cay, have been paid and the balance of \$680,000 (U.S.) is secured by receivables on land sales.

Bank lines available to Treasure Cay Limited total the lesser of \$2,000,000 (U.S.) or 70% of receivables on land sales.

12. OPTIONS

The Company assumed the obligations (on a share-for-share basis) for the predecessor IPL inc. stock option grants. Of these options, the 9,000 still outstanding expire December 18, 1973.

During 1971, the Company adopted a new Qualified Stock Option Plan under which options may be granted for the purchase of up to 250,000 common shares which may be either authorized and unissued shares or acquired treasury shares. The option price per share may not be less than the closing price on the New York Stock Exchange on the date of grant, and the maximum duration of options is five years. As of May 31, 1973, options for 233,000 common shares had been granted and were outstanding. Common shares have been reserved for issuance upon the exercise of these options and a further 13,000 common shares have been reserved for issuance pursuant to options that may be granted under the Plan.

1972 Annual Report

DELTEC

INTERNATIONAL LIMITED



1972 Annual Report

DELTEC

INTERNATIONAL LIMITED

Deltec House, Cumberland and Marlborough Streets
P.O. Box N-3229, Nassau, Bahamas

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Dollar amounts throughout this report are expressed in U.S. currency.

Board of Directors

A. THOMAS TAYLOR*
Chairman of the Board

CLARENCE DAUPHINOT*
President

DAVID BEATY III*
Executive Vice President

A. OAKLEY BROOKS*
Wood, Struthers & Winthrop, Inc., New York

SIR RUPERT CLARKE
King Ranch (Australia) Pty. Ltd., Melbourne

LEROY G. DENMAN, JR.*
Denman, Franklin & Denman, San Antonio, Texas

LOWELL S. DILLINGHAM
Dillingham Corp., Honolulu

HERNAN ECHAVARRIA O.
Azulejos Corona Ltda., Bogota

AGUSTIN E. EDWARDS
PepsiCo, Inc., New York

FRANCIS L. HERBERT*
Executive Vice President

ROBERT J. KLEBERG, JR.
King Ranch, Inc., Kingsville, Texas

FREDERICK A. KLINGENSTEIN*
Wertheim & Co., New York

GUSTAVE L. LEVY*
Goldman, Sachs & Co., New York

SALIM L. LEWIS*
Bear, Stearns & Co., New York

JULIO E. NUÑEZ*
Executive Vice President

WILLIAM WOOD PRINCE*
F. H. Prince & Co., Inc., Chicago

JOSEPH E. RICH
Morton-Norwich Products, Inc., Chicago

VINCENT A. RODRIGUEZ*
Sullivan & Cromwell, New York

GUSTAVO J. VOLLMER*
Central El Palmar S. A., Caracas

*Member of Executive Committee

To Our Shareholders:

Consolidated income of your Company for the fiscal year ended September 30, 1972 amounted to \$10,242,000, or \$2.01 per common share, including \$3,421,000, or \$0.67 per common share, of net extraordinary gains. These results compare with an overall loss (restated as described in Note 1 to the Financial Statements) of \$15,740,000, or \$3.09 per common share, including net extraordinary losses of \$24,484,000, or \$4.80 per common share, for the previous fiscal year.

This has been another eventful year in the history of Deltec. Nearly all events were encouraging, pointing in the direction of progress in the realignment of our activities for a more profitable future. All segments of our enterprise but one operated profitably in this past fiscal year and are continuing to operate profitably.

In our principal activity, that of international merchant banking, we have maintained our consistent record of profitable results. Loans and discounts disbursed reached an all time high of \$315,797,000. Of this amount, Latin America, our original base, accounted for \$241,790,000, itself an all time record. However, we continued our program to diversify the application of our international banking skills into other of the world's developing areas. The periphery of Europe this year accounted for \$60,507,000 of our volume. We have begun the study of opportunities in the Far East, where we may now count on the collaboration of Nikko Securities Limited who recently acquired a participation in Deltec Panamerica S.A. The undersigned and another of your executive directors have just completed a two month



Mr. Clarence Dauphinot, President

tour of nine countries of the Pacific Basin for the purpose of defining the role that Deltec can expect to play in this area.

We have continued to strengthen the liquidity of The Deltec Banking Corporation Limited. It has been demonstrated to the international banking community over a twelve year period that we know how to select a loan portfolio consisting exclusively of selected developing country credits which are nevertheless of the highest quality. We are thus in a position to attract a larger volume of Euro-currency deposits in the interbank market with the objective of achieving not only a consistent but also a higher level of profitability.

To achieve more intensive capital utilization without sacrificing liquidity, we have broadened our commitment in the international bond market. Here, on the basis of its established position as a Eurobond underwriter as well as the expertise of its New York subsidiary, Deltec Securities Corporation, Deltec Banking has realized a number of attractive opportunities. At the same time, our organization provides a broad range of investment services to clients as a result of our activity in this area.

To service a more specialized clientele in Europe and elsewhere, we increased the capital, staff and activity of our associated bank in Switzerland, Bahag Banking Limited, and sponsored the organization of a new bank in Panama, Banque Anval S.A. The latter will also serve as a base for expanded lending activity in the increasingly prosperous Central American Common Market.

As was announced during the year, in June we sold our 20% interest in Banco de Investimento do Brasil to the principal Brazilian shareholder at a satisfactory price. This divestiture of what had become the successful successor to Deltec's first undertaking anywhere was dictated by our Brazilian partner's other plans. However, we announced at the time that Deltec would propose to remain active in the field of investment banking in Brazil. Toward the end of the fiscal year, we were fortunate to be able to conclude an arrangement pursuant to which Deltec will participate in the capital to the extent of 21% and in the management of Banco Finasa de Investimentos, one of Brazil's leading investment banking firms. We are delighted with this new association, in which we hope to carry forward our work of many years in the expansion of Brazil's economy and capital market.

Further important steps were taken this year in our program to divest into local ownership the industrial operations of the Group. We sold our processing plant in Worcester, England, as well as our 20% share of F. J. Walker Ltd. in Australia. We discontinued our participation in the German processing facility. Finally, after the end of the period under review, we concluded an arrangement for the sale to a local group of our entire interest in the Swift-Armour industrial complex in Brazil.

The performance of our food distribution units in both the Western Hemisphere and Europe has fully justified our philosophy that the distribution and trading function

benefits from not being tied to a single source of supply. Following the cost reduction and rationalization described in last year's report, the distribution units once again turned in satisfactory results, which we expect to improve further in future years. Deltec can now offer to the meat producer in any part of the developing world a combination package of technical service, financing and marketing.

It remains for us to comment on your Company's position in real estate, including both urban areas in Brazil and resort development in the Bahamas. Acquired over many years at a relatively low cost and as a by-product of our banking or industrial ventures, real estate now represents an important commitment of our over-all assets. In this area, the operation of our resort and land development at Treasure Cay on the island of Abaco, Bahamas, has not been profitable. However, a growing tourist trade there and increasing construction of houses, condominiums and villas has recently developed. Land sales are still lagging but we hope that our efforts, combined with those of the Bahamas Government, will gradually bring about an improvement in the investment climate in the Bahamas in the next several years. Our real estate operations in Brazil have become profitable and we expect a good year there in 1973. In real estate we are dealing with a longer time span than in banking, and it would be rash to predict when our potential will be realized in the income statement. Of this, however, we are certain: we have been building management skills and we are building values. In order better to pinpoint responsibil-

ity and to present a clearer picture to our shareholders, we have this year changed the presentation of our financial statements by breaking out as a separate division the investment in and results of the real estate operations.

Our biggest investment does not show up on our balance sheet, but we devote to it the greatest care and attention. We refer to the quality of our personnel. Around a multinational nucleus of senior executives, representing a broad range of talents, skills and temperaments, we continue to gather an ever growing team of able, aggressive, younger people in every continent to carry on and expand the work of Deltec. In Deltec, we have always been out to prove a point: that enterprise and the market economy are the most effective tools of development. We prove this point most effectively through our own profitable performance.

Respectfully submitted,



PRESIDENT

December 14, 1972

Officers of Deltec International Limited

CLARENCE DAUPHINOT
President

DAVID BEATY III
Executive Vice President

FRANCIS L. HERBERT
Executive Vice President

JULIO E. NUÑEZ
Executive Vice President

JOSEPH G. CACIOPPO
Senior Vice President

IAN G. ARMSTRONG
Vice President

ARTHUR BASSINGTHWAIGHTE
Vice President

SAMUEL T. CASTLEMAN
Vice President

JOSEPH E. DAVIS
Vice President and Controller

C. J. DRISCOLL
Vice President and Secretary

U. G. HARLOW
Vice President

ENRIQUE A. D. HOLMBERG
Vice President

F. O. NEWMAN
Vice President

E. ROBERTS
Vice President

MAX A. STOLPER
Vice President

AGUSTIN VEGA
Vice President

CLAUDE WARD
Vice President

R. C. ZIRCHER
Vice President

ISAAC ZONANA
Vice President

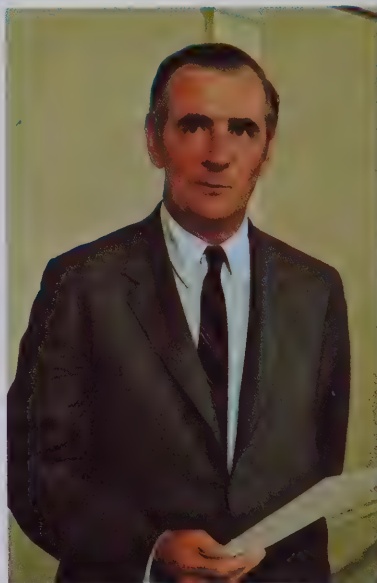
HARRY CHANG
Treasurer

ANTHONY J. B. FRANKLIN
Assistant Controller

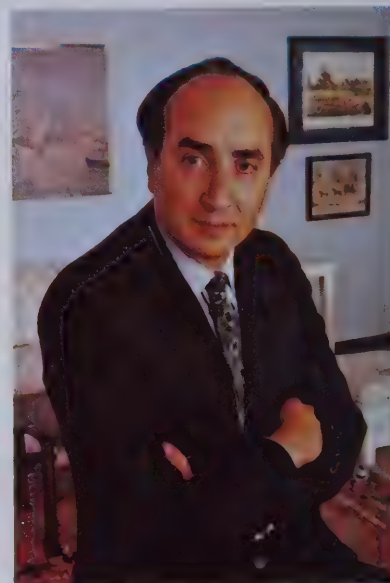
DAVID M. SKELTON
Assistant Controller



Mr. Beaty



Mr. Herbert



Mr. Núñez

The Deltec Banking Corporation Limited

INTERNATIONAL BANKING

The year's international banking activities evidenced a steady continuation in the growth of scope and volume that was described in last year's report. Loan disbursements reached an all time high of \$315,797,000. The year end net worth of The Deltec Banking Corporation Limited and consolidated subsidiaries amounted to \$48,021,000, its Euro-currency deposits to \$54,633,000, its bank credit line utilization to \$35,353,000 (with over \$25,000,000 in additional credit lines unutilized), its loan portfolio to \$68,831,000 and its marketable securities portfolio to \$33,657,000. While placements of loan participation with other banks have also increased dynamically, Deltec Banking's increasing capacity has enabled it to carry in its own portfolio a higher proportion than in previous years of the loans which it originates. A base has thus been built upon which a further vigorous and rapid expansion can be projected, with emphasis on maximum utilization of capital and improved profitability.

As is evident from the accompanying tables, the emphasis in the growth and volume of Deltec's international banking activities has been placed in Europe, where significant gains have been made in every facet of Deltec's activities, both in absolute and relative terms. These gains resulted from an increase of investment in personnel committed to our European organization. The expansion in Europe has complemented Deltec's original orientation toward financial services to Latin America, which also continued to show satisfactory expansion.

As we foresaw in last year's report, there has taken place a surge of cooperation between the West and the countries of Eastern Europe; for example, Poland is negotiating the settlement of its pre-war debts, Rumania has applied for membership in the World Bank and International Monetary Fund, the Export-Import Bank of the United States is

extending the list of Eastern European countries eligible for credit. Deltec is making an increasing contribution to this trend through the application of investment banking techniques which it pioneered in Latin America.

The Deltec Securities Corporation in the United States has also strengthened its organization and broadened its penetration of the institutional market to the point where it can in many cases arrange the lowest cost and most flexible sources of finance for Latin American and other international credits.

Brazil

As shown in the accompanying table, the greatest expansion of volume in this past year has been effected in Brazil, where the total of new loans amounted to the highest ever recorded in a single year in any one country in the Company's history. Deltec made 114 separate loans aggregating \$98,068,000 to a wide range of industrial enterprises, financial institutions and government agencies. To process this increased volume, Deltec Banking appointed in late 1971 its own full time representative in Brazil, and is currently expanding its staff with offices in both Rio de Janeiro and São Paulo.

Deltec's participation in Banco Finasa de Investimentos S.A., concluded at the end of the fiscal year, brings Deltec into association with the Banco Mercantil de São Paulo and Finasa's other distinguished Brazilian and international shareholders. This new association should prove mutually profitable on the basis of an expansion in all of Finasa's present lines of activity, which include various types of cruzeiro and external currency financings, the management of mutual funds, underwritings, public distribution of securities through the bank's widespread organization and market operations in treasury bills, as well as new financial services that may be developed.

THE DELTEC BANKING CORPORATION LIMITED

Loans and Discounts by Country of Obligor (Thousands of Dollars)

	<u>1972</u>	<u>1971</u>	<u>1970</u>	<u>1969</u>	<u>1968</u>	<u>1967</u>	<u>1966</u>	(9 Mos.) <u>1965</u>	<u>1964</u>	<u>1963</u>	<u>Totals</u>
Argentina	3,273	13,405	26,347	4,322	51,699	27,597	19,078	23,042	37,956	15,258	221,977
Brazil	98,068	33,977	41,909	49,887	11,673	5,100	36,883	516	11		278,024
Colombia	18,510	21,471	13,473	5,079	3,446	19,126	2,955	7,224	7,528	408	99,220
Ecuador, Central America and Caribbean	3,417		220	3,584	318	1,501					9,040
Mexico	46,025	91,241	74,065	40,059	46,120	21,629	10,975	21,942	17,620	21,088	390,764
Panama	20,000	16,000	41,065	15,000							92,065
Venezuela	51,657	27,686	24,753	24,026	11,612	7,564	7,838	6,328	3,115	700	165,279
Other Latin American	840	844	203	735	3,401	11,534	17,123	6,076	4,209	4,803	49,768
	<u>241,790</u>	<u>204,624</u>	<u>222,035</u>	<u>142,692</u>	<u>128,269</u>	<u>94,051</u>	<u>94,852</u>	<u>65,128</u>	<u>70,439</u>	<u>42,257</u>	<u>1,306,137</u>
Bulgaria	10,000										10,000
Greece	1,050	1,179		7,500							9,729
Poland		2,000									2,000
Spain	13,017	1,500	4,088		718	1,970	425	175	50	500	22,443
Turkey	9,753										9,753
Yugoslavia	26,079	18,606	5,000								49,685
Other	608		693				1,000				2,301
	<u>60,507</u>	<u>23,285</u>	<u>9,781</u>	<u>7,500</u>	<u>718</u>	<u>1,970</u>	<u>1,425</u>	<u>175</u>	<u>50</u>	<u>500</u>	<u>105,911</u>
U.S. (Off Shore) and Canada	13,500	9,676	4,754	3,139							31,069
TOTAL	<u><u>315,797</u></u>	<u><u>237,585</u></u>	<u><u>236,570</u></u>	<u><u>153,331</u></u>	<u><u>128,987</u></u>	<u><u>96,021</u></u>	<u><u>96,277</u></u>	<u><u>65,303</u></u>	<u><u>70,489</u></u>	<u><u>42,757</u></u>	<u><u>1,443,117</u></u>
Placements of Loan Participations											
TOTAL	<u><u>290,332</u></u>	<u><u>240,934</u></u>	<u><u>213,662</u></u>	<u><u>161,567</u></u>	<u><u>140,272</u></u>	<u><u>108,436</u></u>	<u><u>80,251</u></u>	<u><u>51,016</u></u>	<u><u>60,255</u></u>	<u><u>38,784</u></u>	<u><u>1,385,509</u></u>



Deltec is financing the first stage of the construction of Parque Central in Caracas, Venezuela, one of the most important urban renewal projects of Centro Simón Bolívar, C.A., an autonomous institution of the Republic of Venezuela.

Venezuela

Since the end of 1963, the year in which Deltec reactivated its Venezuelan operations, its volume of international loans in this country has expanded steadily over the years. With the revaluation of the Bolívar against the U.S. Dollar, Venezuela advertised the strength of its economy and currency, and accordingly interest rates have become increasingly competitive. Nevertheless, this year's disbursements of \$51,657,000 nearly doubled the previous year's total.

Locally, Deltec Venezuela C.A. operated profitably. With increasing industrial and agricultural diversification, the country has come to appreciate the importance of an internal capital market and appropriate incentive legislation is expected to be enacted shortly.

Mexico

In Mexico, loan disbursements of \$46,025,000 showed a significant decline from the volumes achieved in the previous two years. This decline is due in part to the temporary slowdown experienced by the Mexican economy during 1971 and in part to the credit policies currently being pursued by the Government. Deltec financings this year were extended in greater part to the private sector, including cement, tobacco, textile and paper industries. Included in these financings was one large investment banking transaction, and it is in this area that Deltec expects to make a major continuing contribution to the economy of the country.

Another area in which Deltec expects to make a contribution is in the development of the internal capital market, which is an essential element to the continued progress of Mexico's economy. An appropriate vehicle through which to make this contribution continues to be sought.

Prodelmex S.A., a financial company in which Deltec participates with Provident International Corporation, Phila-

delphia, operates profitably in the fields of machinery, accounts receivable and term loan financing. This company expects to close its December 31, 1972 fiscal year with \$6.8 million assets, over \$1.4 million net worth and \$150,000 after tax profits.

Yugoslavia

As a result of the diversification program commented on extensively in last year's report, Yugoslavia has become this year the fourth most important country for Deltec in its international banking activities. The \$26,079,000 of disbursements for Yugoslav credits included both direct loans to Yugoslav institutions and discounts of paper arising out of exports to Yugoslavia. That country's dynamic economy and its return to a healthy balance of payments surplus position, as well as the benefits arising from the stabilization programs adopted during the year, has enabled Deltec to arrange loans with favorable maturity and rate schedules. That Deltec has established itself as one of the country's principal international bankers is evidenced by a \$30 million

The Djerdap Dam, inaugurated in May, 1972, is part of an extensive hydro-electric power and navigational system on the Danube at Kladova, Yugoslavia. Deltec participated in the financing of this project.



A Deltec loan helped to finance construction of this heat rolling mill of Metalurski Kombina at Smederevo, Yugoslavia.



medium term loan to a consortium of Yugoslav banks which Deltec, with the participation of three Japanese banks, a North American bank and a French bank, closed shortly after the end of the fiscal year.

Bulgaria

Further in line with its diversification program, Deltec during the year arranged a \$10 million loan to the Bulgarian Foreign Trade Bank, the proceeds of which were utilized to finance Bulgaria's increased requirements for machinery and equipment. Having decided to increase its exports to other Comecon countries by specializing in certain industrial products, Bulgaria may be expected to expand its imports of raw materials as well as Western equipment and know-how. In the financing of these imports Deltec foresees ample potential for its services.

Turkey

In Turkey, Deltec arranged an aggregate of \$9,753,000 in short term credits, principally in the form of convertible

time deposits with Turkish banks. During the past year, these deposits furthered the Central Bank's policy of attracting foreign currency funds to balance available domestic resources and overall short term foreign exchange requirements. While more recently the Central Bank has emphasized a reduction of the liquidity of the banking system, Turkey is committed to step up the pace of industrialization with a view to eventual integration into the European Economic Community and therefore there can be foreseen a gradual opening of the economy with corresponding increased demand for international banking services.

Greece

In Greece, a \$1,050,000 loan to the country's largest brewery enterprise was effected during the year, and at year-end a substantial transaction was in process.

Colombia

External currency financing provided by Deltec Banking during the year to Colombian credits amounted to \$18,510,000, slightly below last year's total. However, Del-



Manufacturing facility of Productos Industriales Metálicos, S.A., a Mexican company to which financing has been extended. PRIMSA is a joint venture of the Sofides group with Clark Equipment Overseas Financing Corporation for the manufacture of fork-lift trucks and front-end loaders.

tec's client list has been further diversified. Based upon the improvement in the political and economic outlook in Colombia, as the traditional parties have reasserted themselves, as coffee prices have risen dramatically and as non-traditional exports have boomed, Deltec's loan volume should show a satisfactory increase in the coming year.

In the light of the influx of export earnings, the Government has been pursuing a restrictive credit policy. This has provided an opportunity for Colombo Mexicana de Inversiones S.A. "Colmex", in which Deltec participates on an equal basis with Colombian partners, to expand its brokerage of peso funds in the local extra-bank market. This year's volume in this activity reached the equivalent of \$3.9 million.

Ecuador, Central America and Caribbean

A beginning was made this year in Deltec external financings for Ecuador, where important oil discoveries have given a new impetus to prosperity and progress and where we expect our volume shortly to become significant. With the formation of Banque Anval, S.A., to be referred to below, we expect to build on our modest beginning in the Central American Common Market area. A small loan was undertaken in the Dominican Republic. As in each of the last two previous years, Deltec, in joint account with Goldman, Sachs & Co., managed private placements of Republic of Panama obligations, this year aggregating \$20 million, and co-managed a public issue amounting to another \$20 million of such obligations in the European market.

Spain

Considerable progress was made this year in Spain, where Deltec Ibérica, S.A. this year arranged three substantial loans aggregating \$13,017,000. Spain has continued to register impressive economic gains. Historically, the growth of the Spanish economy has been financed mainly by domestic savings, but it is reasonable to expect that both public and private entities in the country will make increasing use of the international capital resources. Opportunities will present themselves both for financing domestic expansion and for financing Spain's fast growing exports as that country develops a truly international trading economy. Significantly, the largest loan made by Deltec in Spain this year was to finance overseas expansion of the country's largest construction group.

Argentina

Volume of international financing arranged by Deltec for Argentine credits declined markedly this year.

Internally, Deltec continues to be associated with Argentina S.A. Compañía Financiera which, considering the dif-



Mercedes Benz plant in Barcelona, Venezuela, of Consorcio Inversionista Fabril, S.A. for whom Deltec Venezuela has successfully placed long term local currency debenture issues and Deltec Banking has maintained international credit facilities.



Two of the most modern textile factories in Latin America, operated by Compañía Colombiana de Tejidos S.A., "Coltejer," the largest textile manufacturer in Colombia. Deltec granted several loans to this company during the year.



Dam at Villarino, Spain, constructed by Dragados y Construcciones, S.A., one of Europe's leading contractors, whose recent expansion program has been financed in part by the Deltec Group.

facilities under which it operated, turned in a remarkable performance.

Argentaria S.A. Compañía Financiera extended peso financing to 130 accounts, compared with 110 last year, in amounts totalling the equivalent of \$9.8 million compared with \$7.1 million last year. Commercial paper sales, aggregating the equivalent of \$11.7 million, were effected to 14,000 investors (the corresponding numbers last year were \$9.8 million and 11,303 investors). Trading in short-term funds among companies arranged by Argentaria was equivalent to more than \$8 million. Benefiting from the incentive legislation enacted last year, Fondo Común de Inversión Delval, the Argentaria-managed mutual fund, significantly increased its sales volume and net asset value.

Peru

In compliance with Peru's new financial companies law, Deltec Perú S.A. was reorganized during the year as Financiera Andina S.A. (Finansa), with a capital equivalent to \$970,000 in which Deltec retains an interest of just under 20%. With a loan portfolio equivalent to \$6,300,000, Finansa in terms of outstandings is now the largest "financiera" in the country.

SECURITIES INVESTMENT AND TRADING

With long-term bond yields increasingly attractive in relation to other investment opportunities, Deltec Banking has increased its position in Eurobonds and other actively traded debt securities to \$23,118,000.

In the Eurobond new issues market, Deltec Banking this year participated as underwriter or selling group member in 137 issues.

Deltec Trading Company Limited, recently reorganized as a licensed dealer incorporated in the United Kingdom,

continues its active trading in the Euro-securities secondary market. With the entire operation, including back-office functions, now concentrated in London, Deltec Trading continues to provide superior service and the important element of liquidity to its growing clientele.

In New York and Miami, Deltec Securities Corporation has successfully expanded its institutional clientele as well as its service to other Group companies and clients.

Deltec Trust Company Limited continues to provide corporate and personal trust services in Nassau, Bahamas.

Société d' Investissements Le Fonds Deltec, the closed-

end fund managed by Deltec Banking, enjoyed a satisfactory recovery from last year's level.

ASSOCIATED BANKS

During the year, Bahag Banking Limited increased its capital and augmented its staff to broaden its commercial banking services, including portfolio management and foreign exchange trading, in Lausanne, Switzerland.

Deltec also sponsored the formation in Panama of Banque Anval S.A. as an off-shore commercial bank. Operating largely with personal deposits, Banque Anval will concentrate its lending activity in the Central American area.

Urban development of the rapidly expanding city of São Paulo, Brazil virtually surrounds this portion of Deltec's 1600 acres of Anastácio property.



Real Estate and Resort Development

Deltec's real estate division is basically engaged in urban development in the State of São Paulo, Brazil and resort development in the Bahamas.

Brazil

Cia. City de Desenvolvimento, in which Deltec in association with Brazilian and foreign investors has had an interest for many years, this year turned the corner into profitable performance as a full line real estate development, construction and service company.

In the development area, City concentrated this year on three tracts, two of which are owned by Deltec subsidiaries — Anastácio and Nova Piracicaba — and the third of which — Jardim Bussocaba — is owned by a third party. The suburban Bussocaba development comprises 1,200 lots to be completed in May 1973, of which 812 have already been sold. On the 2,500,000 square meter area in the industrial and university town of Piracicaba 275 residential lots have been sold out of the 424 so far completed. Within the overall development plan a commercial center and an industrial zone are also contemplated. In the 6,300,000 square meter area of Anastácio on the outskirts of São Paulo, City continues to evolve alternative development plans for discussion with the municipal authorities who have zoned large portions of the tract for green spaces and other restricted uses.

In the field of apartment house construction, City completed two buildings in 1972, comprising 160 units, and has eight more structures, comprising 381 units, in process. An additional fifteen projects are under study for initiation in 1973. Governmental financing agencies, which provide the financing for this activity under the National Housing Plan, have recently promulgated rules for the financing of office buildings, which may open up new opportunities for the company.

Services rendered by City include brokerage, appraisals and planning.

The increase in City's activities in the last two years is evident from the following sales statistics:

	Calendar Years		Eleven Months
	1970	1971	1972
For Own Account	\$1,300,000	2,560,000	6,350,000
For Others*	510,000	890,000	4,170,000
Total Sales	\$1,810,000	3,450,000	10,520,000

*includes sales for third parties and associated companies.

Bahamas

Treasure Cay, a 1,500-acre complex located on Abaco Island in the Bahamas, enjoys advantages seldom found in resort and second-home communities. Treasure Cay's beach, more than four miles long, is one of the most beautiful in



Treasure Cay's new golf clubhouse, overlooking the ocean and the golf course, is a focal point of the community and a favorite dining spot.

the Bahamas and there are numerous waterside and elevated locations affording expansive open views.

Deltec has undertaken intensive development of the property's potential since it made its first investment and assumed management responsibility in 1968. Treasure Cay now provides complete community services including a shopping center, an elementary school, medical facilities, a power station and auxiliary services. There is a 155-room hotel and villa complex with swimming pools, tennis courts, an 18-hole championship golf course and a fully equipped and serviced 40-berth marina. There are 167 privately owned homes.

Private building activity, number of guests and general development increased at a satisfactory pace during the past fiscal year. Ten single-family homes and seven two-story townhouses are now under construction. Work has begun on a new complex, "Treasure Villas," which will consist of

14 townhouses, several beachside villas, and a number of garden villas with a common swimming pool. Also under way is a development called "Mariners Cove" that will include 150 one- and two-bedroom units, tennis courts, and swimming pools, all located near the marina. The golf clubhouse was opened and, with its restaurant, has become a focal spot of the resort. The Marina Restaurant also started business during the past fiscal year.

Advance bookings at the hotel-villa complex are at record levels and there has been a gratifying rise in repeat business. Increasing recognition of Treasure Cay both by prospective residents and vacationers is solid evidence of its appeal and of the success of our efforts to provide a natural, relaxed and serene environment. We believe Treasure Cay will rank among the prime established vacation and second-home communities in the Western Hemisphere.



Bahamian waters are among the world's most beautiful and snorkeling is a popular activity at Treasure Cay.

Guests enjoy swimming in one of the three fresh water pools, this one alongside the hotel patio.

Food

DISTRIBUTION

Deltec's food distribution units, which are centered in North America and Western Europe, are engaged in marketing frozen-cooked, canned and fresh-frozen meats and meat products and a variety of related items. We believe that these food distribution operations constitute a sound and well-established business which lends itself to close coordination with our financial activities, particularly in developing nations, a principle which is more fully discussed below. The major effort of these units during the year was to build a broader base for profits through diversification of product lines and the establishment of new supply relationships.

Sales

Although international market conditions at times made it difficult to obtain adequate supplies at viable prices, Deltec's distribution units in 1972 recorded creditable earnings on aggregate sales of approximately \$129 million. The North American Foods Division, operating in the United States, exceeded its planned profit objectives for the year notwithstanding a 15% drop in gross sales caused by product shortages. Canadian sales also were affected by supply problems and profit margins were aided by higher prices.

Gains in Western Europe were attributable to greater sales penetration in the traditional products, together with the introduction of a variety of new products, entry into new markets and savings derived from a reorganization program and cost control policies introduced during 1971. Direct sales, particularly of Australian meats, expanded substantially. Deltec also increased its share of the corned-beef market in the United Kingdom and introduced four new canned items for the catering trade. Difficulties were encountered in the U.K. market as a result of the floating of the pound, and a national dock strike during the last two months of the fiscal year created supply problems. The operations of the Benelux, German, Italian and Spanish units developed very satisfactorily during the year. Our

canned meat sales extend to more than 24 countries in Europe, the Middle East and Africa.

Supply

To help meet the steady growth in world meat requirements, Deltec is devoting special efforts to expanding and diversifying its sources of supply and considerable progress was made during the fiscal year in developing new production relationships in Eastern Europe, Mexico and Central America, and in increasing output from traditional sources. Yugoslav and Bulgarian pork products are well-received in European markets, and Deltec is successfully increasing volume and adding new product lines. In Rumania, extensive technical assistance has been given to Prodexport and a package proposal is under consideration incorporating technical, financial and marketing cooperation. Deltec is also cooperating with the Polish foreign trade organization, "Animex," in the development of new products to be marketed through our organization. Additionally, technical, financial, and marketing assistance has been offered to various Polish organizations concerned with the expansion of livestock and meat processing industries. U.K. Government approval of the plants of our Brazilian supplier is pending and, when obtained, will permit the sale of canned, chilled and frozen meats from Brazil.

A new line of East European pork products has been accorded a preliminary reception by the trade in North America and application is pending now with the Department of Agriculture of the U.S.A. for approval to distribute these products commercially. New relationships were established in Australia and New Zealand for additional supplies of fresh-frozen meats destined primarily for the U.S.A. market. A line of Mexican products for consumption in the U.S.A. is undergoing trade sampling and early indications are favorable. Deltec's Brazilian supplier is enlarging its production facilities for frozen-cooked beef destined for the U.S.A. market.

MID-YEAR REPORT

Six Months Ended
March 31, 1973

DELTEC
INTERNATIONAL LIMITED

DELTEC INTERNATIONAL LIMITED

P.O. Box N 3229

Nassau, Bahamas

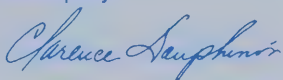
To our Shareholders:

Consolidated earnings for the six months ended March 31, 1973, were \$4,072,000 or \$.80 per common share compared with \$.49 per common share for the comparable period last year which included an extraordinary item of \$.12 per share. For the three months ended March 31, 1973, comprising the second quarter of our current fiscal year, consolidated earnings amounted to \$2,644,000 or \$.52 per common share compared with \$.14 per common share before extraordinary item, for the same period last year as restated. All divisions reported profits in the second quarter and showed improvement over their first quarter results.

The earnings increase in the second quarter was particularly significant in the Financial Division and reflected the substantial increase in our loan portfolio, as well as the income earned on the proceeds from the sale, completed in the first quarter, of our meat processing and ranching operations in Brazil. However, this increase will be offset to a certain extent in the third and fourth quarters, when compared with the previous fiscal year, by reduced earnings in the Food Distribution Division due to the above mentioned sale of the Brazilian operations. These operations typically earned the major portion of income in the second six months of our fiscal year.

During the second quarter we completed the sale of an additional 24% of the shares of Swift New Zealand Co., reducing our equity to 46%. Swift New Zealand is engaged in meat processing activities for distribution primarily in foreign markets. During this period we also completed the sale of our 50% interest in Woodhouse Hume, Ltd., a food supplier to hotels and restaurants in the United Kingdom. The cash proceeds from these two transactions were equivalent to \$2,600,000. At present we are negotiating the sale of our remaining assets in Australia, consisting primarily of our interest in a joint venture cattle ranching operation. The funds derived from this sale will further add to our very liquid financial position, as shown in the accompanying balance sheet.

On April 1, 1973, Mr. A. Oakley Brooks joined our Company as Vice Chairman of the Board of Directors. Mr. Brooks has been a much valued director of Deltec for many years and we look forward to his more active participation in the management of the Company.

A handwritten signature in dark ink, reading "Clarence Dauphinot". The signature is written in a cursive, flowing style with a large initial 'C'.

CLARENCE DAUPHINOT
President

May 1, 1973

DELTEC INTERNATIONAL LIMITED

Consolidated Balance Sheets

(Thousands of Dollars)

ASSETS

Cash and due from banks	
Time deposits and certificates of deposit	
Loans and discounts	
Bonds and other marketable securities	
Due from brokers	
Investments in and advances to:	
Food Distribution Division	
Real Estate Division	
Banco Finasa de Investimento S.A.	
Argentine subsidiaries	
Less—provision for possible losses	
Other assets	

LIABILITIES

Demand deposits	
Time deposits	
Bank loans	
Due to brokers	
Other payables and accrued liabilities	
Minority shareholders' equity in financial subsidiaries	
Total liabilities	
Shareholders' equity:	
Capital	
Retained earnings	
Total shareholders' equity	

	March 31, 1973	Sept. 30, 1972
.....	34,079	18,198
.....	16,537	7,743
.....	116,197	68,831
.....	64,043	33,657
.....	6,366	7,530
.....	16,323	36,405
.....	8,919	6,860
.....	2,880	—
.....	8,705	8,705
.....	(8,000)	(8,000)
.....	6,322	8,627
	<u>272,371</u>	<u>188,556</u>
.....	7,264	7,687
.....	79,922	51,633
.....	87,326	35,353
.....	5,313	6,333
.....	12,774	11,200
.....	656	1,050
.....	<u>193,255</u>	<u>113,256</u>
.....	63,778	63,756
.....	15,338	11,544
.....	<u>79,116</u>	<u>75,300</u>
	<u>272,371</u>	<u>188,556</u>

Consolidated Statement of Changes in Financial Position

(Thousands of Dollars)

	Six Months Ended March 31,	
	1973	1972
Financial resources provided by:		
Income before extraordinary items	\$ 4,072	\$ 1,907
Add (deduct) non-cash items:		
Equity in (income) loss of:		
Food Distribution Division, adjusted for dividends received	25	81
Real Estate Division Associate, adjusted for dividends received	(308)	(8)
	(100)	(805)
Other, net	1,633	815
Cash provided by operations	5,322	1,990
Extraordinary item:		
Utilization of tax losses carried forward		609
Proceeds of sale of Brazil industrial subsidiaries	20,043	
Decrease in:		
Investment in and advances to Food Distribution Division ..	128	4,844
Investment in and advances to Real Estate Division		229
Increase in:		
Time deposits	28,289	15,565
Bank loans	51,973	
Other, net	2,878	1,890
	<u>\$108,633</u>	<u>\$25,127</u>
Financial resources used for:		
Increase in:		
Cash and due from banks	\$ 15,881	\$ 211
Time deposits and certificates of deposit	8,794	614
Loans and discounts	47,366	10,024
Bonds and other marketable securities	31,783	6,891
Investment in and advances to Real Estate Division	1,751	
Investment in and advances to Banco de Investimento do Brasil S.A.		79
Investment in and advances to Banco Finasa de Investimento S.A.	2,780	
Decrease in:		
Bank loans		7,030
Dividends on preference shares	278	278
	<u>\$108,633</u>	<u>\$25,127</u>

We expect further gains in sales and profit for the food distribution group over the foreseeable years on the basis of rising world demand for meat products and a lingering shortage of supply. Our expectations are based on our increasing effectiveness in marketing, in obtaining new and diversified products and in developing additional production sources.

Food Industry Services

Deltec is in a uniquely advantageous position to offer a combination package of technical, commercial, and financial services to the food industry, particularly in developing nations seeking export earnings. This capability has evoked considerable interest in certain areas and could well become an important factor in the further development of our food distribution business. Deltec can make available a broad range of technical expertise in the organization of efficient food production facilities; can provide know-how in processing and packaging techniques and in the development of a product mix geared to the requirements of specific markets; can finance the purchase or construction of the facilities, the procurement and installation of necessary equipment and other costs of establishing an operation; can offer a repayment program in the form of cash or finished product at the election of the client and, in either case, can utilize its international facilities for marketing the product in the areas of major consumption.

PRODUCTION

Sugar

Ingenio La Esperanza, Deltec's Argentine sugar producing subsidiary, maintained its record of satisfactory performance. The company's production, increased through the clearing and planting of additional land, was almost one-third larger than 1971.

Within the long-range capital expenditure program, a

new mill was installed, increasing both capacity and efficiency. Considerable success was achieved in the marketing of refined sugar in small consumer-sized bags, facilitated by efficient, high-speed bagging machinery.

There is a steady demand for sugar both in Argentina and in international markets and, with the increase in production, prospects for continued successful operations are favorable.

Meat Processing

Earnings of Swift New Zealand Company Limited, of which Deltec owns 70%, improved over 1971.

Intense competition for beef cattle was brought on by inadequate supplies and, accordingly, margins were slim even in the face of strong beef prices abroad. On the other hand, sheep and lamb offerings were more abundant, thus favoring margins and making this segment of the business more remunerative.

New cattle processing facilities at Wairoa came onstream in April. Although the year's production was below plant capacity, with anticipated improvement in cattle supplies during the coming season, this new facility should make a positive contribution to favorable earnings in New Zealand this year.

Ranching

Deltec's principal ranching operation now consists of the Queensland and Northern Territory Pastoral Company, an Australian cattle ranching joint venture with King Ranch, Inc. of Texas. There are currently about 70,000 head of cattle on the ranches operated by this enterprise.

Cattle marketings by the joint venture during the past year were adversely affected by earlier drought conditions, resulting in virtually a break-even for the year. More recently, rainfall has been inadequate in some areas and the return to normal production on a long-term basis will be largely dependent upon improved climatic conditions.

Consolidated Balance Sheets

September 30, 1972 and 1971

(THOUSANDS OF DOLLARS)

Assets	1972	1971
Cash and due from banks	\$ 18,198	\$ 13,531
Time deposits and certificates of deposit	7,743	1,235
Loans and discounts	68,831	55,605
Bonds and other marketable securities	33,657	19,242
Due from brokers	7,530	7,556
Investments in and advances to:		
Food Distribution Division (Note 8)	36,405	38,991
Real Estate Division (Note 9)	6,860	6,208
Banco de Investimento do Brasil, S.A. (Note 2)		3,792
Argentine subsidiaries (Note 1)	8,705	8,705
Less — Provision for possible losses (Note 3)	(8,000)	(8,000)
Other assets	8,627	6,883
	<u>\$ 188,556</u>	<u>\$ 153,748</u>
Liabilities		
Demand deposits	\$ 7,687	\$ 6,404
Time deposits	51,633	20,582
Bank loans	35,353	43,010
Due to brokers	6,333	6,132
Other payables and accrued liabilities	11,200	11,127
Minority shareholders' equity in Financial subsidiaries	1,050	878
Total liabilities	<u>113,256</u>	<u>88,133</u>
Shareholders' Equity:		
Capital (Note 4)	63,756	63,756
Retained earnings	11,544	1,859
Total shareholders' equity	<u>75,300</u>	<u>65,615</u>
	<u>\$ 188,556</u>	<u>\$ 153,748</u>

On Behalf of the Board

(See notes to financial statements)

A. Thomas Taylor }
 Clarence Dauphinot } Directors

Consolidated Statements of Operations and Retained Earnings

(THOUSANDS OF DOLLARS)

	Year Ended September 30,	
	1972	1971
Revenue		
Interest	\$ 8,397	\$ 8,669
Profit on sale of securities	6,973	4,595
Equity in income of associates (Note 2)	1,159	1,424
Commissions, dividends and other income	1,770	1,547
	<u>18,299</u>	<u>16,235</u>
Expense		
Administrative and general expenses	7,946	6,999
Interest	4,865	5,404
Provision for losses on investments	1,174	(367)
Minority equity in net income of Financial subsidiaries	78	165
Taxes on income	663	492
	<u>14,726</u>	<u>12,693</u>
Income of Financial Division before extraordinary items	3,573	3,542
Income of Food Distribution Division before extraordinary items (Note 8) ...	4,650	7,291
Loss of Real Estate Division (Note 9)	(1,016)	(1,895)
Unallocated headquarters expenses	(386)	(194)
Income before extraordinary items	6,821	8,744
Extraordinary items (Note 3)	3,421	(24,484)
Net income (loss)	<u>10,242</u>	<u>(15,740)</u>
Retained earnings at beginning of year as previously stated	4,179	16,742
Adjustment for the cumulative effect of the restatement of prior years for:		
Inclusion for first time of unconsolidated subsidiary (Note 1)	(2,320)	
Adoption of equity method of accounting for associates (Note 1)		1,414
Retained earnings at beginning of year as restated	1,859	18,156
Dividends on preference shares—\$.75 per share	(557)	(557)
Retained earnings at end of year	<u>\$ 11,544</u>	<u>\$ 1,859</u>
Income (loss) per common and common equivalent share:		
Before extraordinary items	\$1.34	\$ 1.71
Extraordinary items .....	.67	(4.80)
	<u>\$2.01</u>	<u>\$(3.09)</u>

(See notes to financial statements)

Consolidated Statements of Changes In Financial Position

(THOUSANDS OF DOLLARS)

	Year Ended September 30,	
	1972	1971
Financial resources provided by:		
Income before extraordinary items	\$ 6,821	\$ 8,744
Add (deduct) non-cash items:		
Equity in (income) loss:		
Food Distribution Division, adjusted for dividends received	(4,185)	(7,043)
Real Estate Division	1,016	1,895
Associates, adjusted for dividends received	(1,013)	(1,218)
Other, net	1,252	(202)
Cash provided by operations	3,891	2,176
Extraordinary Items:		
Profit on sale of investments	4,211	1,269
Utilization of tax losses carried forward	411	971
Proceeds on sale of minority interest in New Zealand subsidiary		1,187
Decrease in:		
Cash and due from banks		10,052
Time deposits and certificates of deposit		10,907
Loans and discounts		12,539
Bonds and other marketable securities		1,984
Investment in and advances to Food Distribution Division	5,570	4,071
Investment in and advances to Banco de Investimento do Brasil, S.A. .	4,805	
Increase in:		
Time deposits	31,051	
Bank loans		10,864
	<u>\$ 49,939</u>	<u>\$ 56,020</u>
Financial resources used for:		
Payments relating to loss on Cia. Swift de la Plata, S.A. F.		\$ 2,474
Increase in:		
Cash and due from banks	\$ 4,667	
Time deposits and certificates of deposit	6,508	
Loans and discounts	13,226	
Bonds and other marketable securities	14,789	
Investment in and advances to Real Estate Division	1,668	252
Decrease in:		
Time deposits		45,002
Bank loans	7,657	
Notes and acceptances payable		4,694
Term debt	331	2,916
Dividends on preference shares	557	557
Other, net	536	125
	<u>\$ 49,939</u>	<u>\$ 56,020</u>

NOTE 1 — Accounting Policies

A summary of the major accounting policies followed by the Company in the preparation of the accompanying financial statements is set forth below:

A. Principles of Consolidation

The consolidated financial statements include the Parent Company (the Company) and its majority-owned subsidiaries (principally The Deltec Banking Corporation Limited) except for its Food Distribution and Real Estate Divisions and its subsidiaries located in Argentina. The Food Distribution Division (formerly referred to as Industrial Division) is composed of the Company's North American Foods Division and majority-owned subsidiaries engaged in various non-banking activities outside of Argentina. The Real Estate Division includes various companies in land development and related businesses. The investments in the Food Distribution and Real Estate Divisions are carried in the consolidated balance sheets at the Company's equity in underlying net assets.

Because of the possible implications of the opinion of the Court dealing with the bankruptcy of Cia. Swift de la Plata, S.A.F. (Note 3) as well as the current exchange restrictions on transfer of profits out of Argentina at the present time, the Company, since 1971, has excluded the results of operations of Deltec Argentina, S.A. and its subsidiary companies (which comprise all of the Argentine properties other than Cia. Swift de la Plata, S.A.F.) from the consolidated financial statements. Earnings of Deltec Argentina and its subsidiaries (\$2,163,000 in 1972 and \$1,775,000 in 1971) will be recognized in the consolidated financial statements only when and to the extent they are received outside of Argentina. At September 30, 1972 and 1971, the Company's equity in the net assets of the Argentine subsidiaries (exclusive of Cia. Swift de la Plata, S.A.F.) exceeded its investment therein approximately by the earnings of those subsidiaries since fiscal 1970 and \$2,049,000 being the unamortized excess of book value over original cost at date of acquisition remaining at September 30, 1970.

During 1972, the Company for the first time included the accounts of Treasure Cay Limited, the resort development in the Bahamas. Deltec was initially a minority shareholder in Treasure Cay, but now owns 87% and expects to remain in a majority position with full management control. Since Treasure Cay together with the Company's other land development activities will form a continuing Real Estate Division, the 1971 financial statements have been restated to reflect this change in accounting principles. Prior to 1971 the Company did not own a majority of the stock of Treasure Cay Limited, and therefore there is no effect on the financial statements prior to 1971. The effect of this change was to decrease earnings per common and common equivalent share by \$.35 in 1972 and \$.46 in 1971.

B. Investment in Associates

During 1971, the Company adopted the "equity" method of accounting for all qualified investments (except those in Argentina) in which it owns at least 20% of the equity.

C. Principles of Currency Translations

The accounts of the Parent Company, its Bahamian subsidiaries and its United States branch and subsidiaries are kept in U.S. Dollars. The accounts of other subsidiaries have been translated into U.S. Dollars on the following bases:

Fixed assets and depreciation—at historical exchange rates.

All other net assets—at quoted year end exchange rates or other applicable rates.

Individual items of income and expense (exclusive of depreciation)—at month-end exchange rates.

D. Recognition of Income

Income from financial operations is recorded as earned depending on the type of transaction.

In the Food Distribution Division, sales are recorded at the time of sale.

In the Real Estate Division, land and related sales are generally made on the instalment basis for periods up to seven years under agreements which provide for the conveyance of title to the purchaser on payment of the final instalment. Generally, the Company records such sales when 15–25% of the sales price is received, except where inflation or other factors indicate that the total profit to be realized is not certain. In the latter case, income is recognized on the instalment basis as payments are received. Hotel, utilities and similar sales are recorded when made.

E. Loans and Discounts

Loans and discounts are valued at specific identification cost plus accrued interest.

F. Bonds and Other Marketable Securities

Security portfolios are valued at the lower of cost or quoted market value.

G. Inventories

Inventories of product and supplies are valued at the lower of cost (first-in, first-out or average) or market.

H. Depreciation, Maintenance and Repairs

The Company depreciates properties for financial statement and income tax purposes primarily on the straightline method at various rates which on a combined basis average approximately 3% for buildings and 6% for machinery and equipment.

Expenditures for maintenance and repairs incurred in the ordinary course of operations are charged to income. Major improvements increasing the estimated useful life of an asset are capitalized.

Upon the sale or retirement of properties, the accounts are relieved of the related accumulated depreciation and any profit or loss on disposal is transferred to income.

I. Taxes on Income

Provision is made currently for all taxes on income based on tax rates existing in the countries in which the Company operates.

Because different tax rates and tax incentives exist in the various countries, there is no normal relationship between pre-tax income and taxes on income.

J. Options

The Company does not account for options to purchase common shares until they are exercised at which time the proceeds received from the sale of the shares will be credited to common shares.

K. Earnings per Share

Earnings per share are calculated using the weighted average number of shares outstanding during the year adjusted for the preference shares which are convertible into 743,108 common shares (total shares used in the computation of earnings per common share were 5,101,955 in 1972 and 1971). Options and warrants were antidilutive in 1971 and did not have a material dilutive effect in 1972.

NOTE 2 — Equity in Income of Associates

During 1972, the Company sold its interest in Banco de Investimento do Brasil, S.A.; the profit net of applicable taxes (\$4,211,000) is included in extraordinary items. The Company's equity in the income of this associate amounted to \$1,159,000 in 1972 and \$1,424,000 in 1971.

The Company's investment in other associates was not material for 1972 or 1971.

NOTE 3 — Extraordinary Items

The extraordinary items are comprised of the following:

	1972	1971
Profit on sale of investments:		
Banco de Investimento do Brasil, S.A.	\$ 4,211	
Triarch Corporation Limited		\$ 1,269
Provision for possible losses of investments in:		
Brazil industrial subsidiaries (Note 8)	(1,201)	
Cia. Swift de la Plata, S.A.F.		(18,724)
Other		(8,000)
Utilization of tax losses carried forward	411	971
	<u>\$ 3,421</u>	<u>\$(24,484)</u>

In spite of a repayment plan approved by 86% of its creditors, the Argentine court declared Cia. Swift de la Plata, S.A.F. to be in bankruptcy. Consequently, in fiscal 1971 management deemed it prudent to provide for the loss of the Company's investment and advances and for possible additional losses which ultimately may be incurred. As a result, \$18,724,000 was charged against income as an extraordinary item in 1971.

Also during 1971, the Company in accordance with its announced long range policy of holding only a minority interest in its various industrial properties, provided \$8,000,000 as an extraordinary charge against 1971 income for losses which may be realized in attaining this position.

NOTE 4 — Capital

	September 30,	
	1972	1971
Preference shares \$7.50 par value, 743,108 shares authorized and issued . .	\$ 5,573	\$ 5,573
Common shares, authorized 10,000,000 shares, issued 4,358,847 shares	32,691	32,691
Other capital	25,492	25,492
	<u>\$63,756</u>	<u>\$63,756</u>

During 1972 the shareholders approved a proposed amendment to the Articles of Incorporation changing the previous \$7.50 par value common shares into common shares without par value. Such change had no effect on the dollar amounts reported for common shares or other capital. There were no changes in the common shares outstanding during 1972 or 1971.

The preference shares are entitled to cumulative cash dividends of \$.75 per annum. Cash dividends may be declared on common shares only when all past and current preference dividends are paid or set aside for payment. If dividends are declared on common shares in any year in excess of \$.75 per share, the preference shares are entitled to pro-rata extra dividends at a rate per share equal to the excess.

Preference shares are convertible on a share for share basis at any time into common shares. The holder of all of the preference shares (Deltec Panamerica S.A.) has agreed that all shares not voluntarily converted by April 1, 1974 will be converted at that date. 743,108 of authorized but unissued common shares are reserved for conversion.

The preference shares have other provisions including the right to vote on all matters submitted to shareholders on the basis of one vote per preference share, and rights in liquidation to receive, before any distribution to common shares, all accrued but unpaid preference dividends and thereafter an amount equal on a per share basis to the common share distribution.

NOTE 5 — Stock Options and Warrants

The Company assumed the obligations (on a share for share basis) for the predecessor IPL stock option grants; these options expire at various dates to December 18, 1973 and all of them are presently exercisable. Options for the purchase of 67,000 and 106,500 common shares under these grants, were outstanding at September 30, 1972 and 1971, respectively. No further grants will be made under any predecessor IPL plans.

During 1972, the Company adopted and the shareholders approved a new qualified stock option plan under which options may be granted for the purchase of up to 250,000 common shares which may be either authorized and unissued shares or acquired treasury shares. The option price per share may not be less than the closing price on the New York Stock Exchange on the date of grant, and the maximum duration of options is five years. As of September 30, 1971, options for 185,000 common shares had been granted at an option price of \$5.75 per share. During 1972, a further 56,000 options were granted at option prices of \$6.25 and \$8.625 per share.

All options outstanding may be summarized as follows:

	Options Outstanding	Option Price	
		Per Share	Total
September 30, 1970	143,667	\$10.375 to \$17.370	\$1,668,010
Cancelled or expired . . .	(37,167)	10.375 to 17.370	(450,118)
Granted . . .	185,000	5.750	1,063,750
September 30, 1971	291,500*	5.750 to 14.870	2,281,642
Cancelled or expired . . .	(40,500)	5.750 to 12.875	(459,062)
Granted . . .	56,000	6.250 to 8.625	399,875
September 30, 1972	307,000*	\$ 5.750 to \$14.870	\$2,222,455

* Common shares were reserved at these dates for issuance upon the exercise of the above options.

Warrants to purchase 35,000 of the Company's common shares at \$10.00 per share were outstanding at September 30, 1971 and 1972 and expired November 14, 1972. None of these warrants were exercised.

NOTE 6 — Pledged Assets

At September 30, 1972 and 1971 the following assets in the amounts indicated (in thousands of dollars) were pledged as collateral for bank loans and term debt:

	1972	1971
Consolidated		
Loans and discounts	\$24,203	\$38,302
Bonds and other marketable securities	16,807	4,644
Food Distribution Division (exclusive of Brazil subsidiaries)		
Accounts receivable	4,604	11,635
Inventories	16,889	14,077
Property, plant and equipment	6,524	2,219
Real Estate Division		
Receivables	914	1,479

An \$18 million special revolving credit arrangement available at September 30, 1971 was terminated by the Company during 1972.

NOTE 7 — Contingencies

United States Federal income tax returns of a predecessor for the years 1966 through 1969 have been examined by the Internal Revenue Service. The Company, based on present available information, believes that adequate provision has been made for any additional taxes and interest that may be finally assessed for all open years as a result of the issues raised in this examination.

At September 30, 1972, the Consolidated Group had guaranteed obligations of affiliated companies and others of approximately \$565,000, bank loans of the Food Distribution Division of approximately \$16,628,000 and bank loans of the Real Estate Division of \$1,900,000.

NOTE 8 — Food Distribution Division

Summarized combined statements of the Food Distribution Division (in thousands of dollars) are as follows:

Combined Statements of Net Assets at September 30

	Food Distribution Division	
	1972	1971
Current assets		
Cash	\$ 1,346	\$ 3,439
Accounts receivable	11,965	17,434
Inventories	20,624	20,265
Other current assets	174	316
Total current assets	34,109	41,454
Current liabilities		
Bank loans	16,784	25,394
Trade accounts payable and other current liabilities	5,986	6,602
Total current liabilities	22,770	31,996
Net current assets	11,339	9,458
Investments	3,736	7,715
Property, plant and equipment	6,575	4,953
Reserve for possible additional taxes on income	(500)	(500)
Term debt	(2,174)	(33)
Minority shareholders' equity	(1,146)	(1,031)
Net assets	17,830	20,562
Inter-division receivables	(1,425)	(318)
Net assets — Exclusive of Brazil subsidiaries	16,405	20,244
Net assets of Brazil subsidiaries	20,000	18,747
Net assets	\$ 36,405	\$ 38,991

Combined Statements of Income for the years ended September 30

	Food Distribution Division	
	1972	1971
Revenue		
Sales	\$ 148,494	\$ 175,148
Commissions, interest and other income	682	1,313
	149,176	176,461
Costs and expenses		
Cost of goods sold	135,909	163,045
Selling and administrative expenses ..	7,579	8,813
Depreciation	688	566
Interest	1,362	2,044
Exchange loss (gain)	64	(335)
Minority equity in net income (loss) ..	222	(85)
Taxes on income	1,157	373
	146,981	174,421
Income of continuing operations	2,195	2,040
Income of Brazil subsidiaries	2,455	5,251
Income before extraordinary items	4,650	7,291
Extraordinary items	(790)	(1,904)
Net income for the year	\$ 3,860	\$ 5,387

**Combined Statements of Changes in Financial Position
for the years ended September 30**

	Food Distribution Division	
	1972	1971
Net current assets provided by:		
Income before extraordinary items ..\$	4,650	\$ 7,291
Deduct non-cash items, primarily depreciation, minority interest and equity in Brazil income	1,620	5,270
Net current assets provided by operations	3,030	2,021
Extraordinary items—utilization of tax losses carried forward	411	75
Sale of property, plant and equipment	1,205	227
Proceeds from borrowing	2,165	
Additional investment by parent company	51	
Total	6,862	2,323
Net current assets used for:		
Additions to property, plant and equipment	3,385	1,378
Dividends paid	572	346
Return of capital to parent company	1,000	
Reduction of reserve for possible additional taxes on income		825
Other, net	24	61
Total	4,981	2,610
Increase (decrease) in net current assets\$	1,881	\$(287)
The changes in net assets may be summarized as follows:		
Net assets at beginning of year	\$ 38,991	\$ 37,188
Net income for the year	3,860	5,387
Dividends and return of capital to parent company	(1,415)	(76)
Equity in net assets in New Zealand subsidiary sold to minority interest .		(1,181)
Effect of transfer of assets between Financial and Food Distribution Divisions	(3,924)	2,316
Decrease in inter-division receivables .	(1,107)	(4,643)
Net assets at end of year	<u>\$ 36,405</u>	<u>\$ 38,991</u>

At September 30, 1972, the Company was negotiating for the sale of all of its industrial subsidiaries in Brazil. Accordingly, the statements of the Food Distribution Division's net assets and the related statements of income for the two years then ended have been restated to show separately the net assets and related income of such subsidiaries.

Also, provision was made in 1972 to reduce the investment in the Brazil industrial subsidiaries to estimated realizable value. Such provision, \$1,201,000, was charged as an extraordinary item. The balance of the extraordinary items relate to the utilization of tax losses carried forward. At September 30, 1972, loss carryforwards available as offsets against future taxable income approximated \$1,800,000 and principally concerned operations in the United Kingdom.

The Food Distribution Division inventories (exclusive of Brazil subsidiaries) comprised:

	1972	1971
Product	\$ 20,256	\$ 19,660
Supplies	368	605
	<u>\$ 20,624</u>	<u>\$ 20,265</u>

The property, plant and equipment of the Food Distribution Division (exclusive of Brazil subsidiaries) are as follows:

	1972	1971
Land	\$ 63	\$ 76
Buildings	4,434	3,589
Machinery and equipment	7,780	7,510
Total at cost	12,277	11,175
Less accumulated depreciation	5,702	6,222
	<u>\$ 6,575</u>	<u>\$ 4,953</u>

The Food Distribution Division term debt (exclusive of Brazil subsidiaries) includes:

	1972	1971
8½% notes due February, 1978	\$ 771	
6¾% - 6⅞% notes due December, 1976	1,000	
Miscellaneous obligations	403	\$ 33
	<u>\$ 2,174</u>	<u>\$ 33</u>

The geographical location of the net assets of the Food Distribution Division is as follows:

	1972	1971
United States	\$ 4,666	\$ 4,412
United Kingdom	4,384	3,960
Other	7,355	11,872
	<u>16,405</u>	<u>20,244</u>
Brazil	20,000	18,747
	<u>\$ 36,405</u>	<u>\$ 38,991</u>

NOTE 9 — Real Estate Division

Summarized combined statements of the Real Estate Division (in thousands of dollars) are as follows:

Combined Statements of Net Assets at September 30

	Real Estate Division	
	1972	1971
Cash	\$ 82	\$ 234
Receivables	3,925	3,970
Real estate held for sale, at cost	5,884	6,701
Fixed assets	2,631	2,261
Other assets	1,895	1,166
Total assets	<u>14,417</u>	<u>14,332</u>
Bank loans	2,566	3,785
Accounts payable and other liabilities ..	3,480	3,615
Deferred income on sales	1,284	517
Minority shareholders' equity	227	207
Total liabilities	<u>7,557</u>	<u>8,124</u>
Net assets	<u>\$ 6,860</u>	<u>\$ 6,208</u>

Combined Statements of Operations for the years ended September 30

	Real Estate Division	
	1972	1971
Revenue		
Sales of real estate	\$ 2,627	\$ 2,881
Hotel and utility income	1,863	1,307
Commissions, interest and other income	360	545
	<u>4,850</u>	<u>4,733</u>
Costs and expenses		
Cost of sales	445	1,236
Hotel and utility operating expenses	2,566	2,043
Selling, general and other expenses ..	2,410	2,949
Interest	445	400
	<u>5,866</u>	<u>6,628</u>
Net loss for the year	<u>\$ (1,016)</u>	<u>\$ (1,895)</u>

**Combined Statements of Changes in Financial Position
for the years ended September 30**

	Real Estate Division	
	1972	1971
Financial resources provided by:		
Net loss for the year	\$(1,016)	\$(1,895)
Add back non-cash items, primarily deferred income	1,314	1,244
Funds provided by (used in) operations	298	(651)
Additional investment by parent company	1,668	252
Decrease in:		
Cash	152	
Receivables	45	152
Real estate held for sale	817	
Other assets		1,079
Increase in:		
Accounts payable		39
Bank loans		503
Total	<u>\$ 2,980</u>	<u>\$ 1,374</u>

Financial resources used for:		
Additions to fixed assets	\$ 629	\$ 284
Increase in:		
Cash		200
Real estate held for sale		724
Other assets	729	
Decrease in:		
Accounts payable	403	
Bank loans	1,219	
Minority shareholders' equity		166
Total	<u>\$ 2,980</u>	<u>\$ 1,374</u>

The changes in net assets may be summarized as follows:

Net assets at beginning of year	\$ 6,208	\$ 7,851
Additional investment by parent company	1,668	252
Net loss for the year	(1,016)	(1,895)
Net assets at end of year	<u>\$ 6,860</u>	<u>\$ 6,208</u>

The Real Estate Division receivables include \$1,801,000 in 1972 and \$1,825,000 in 1971, due within one year.

The Real Estate Division fixed assets consist of:

	1972	1971
Land used in operations	\$ 511	\$ 504
Buildings	1,931	1,703
Machinery and equipment	1,596	1,451
Total at cost	4,038	3,658
Less accumulated depreciation	1,407	1,397
	<u>\$ 2,631</u>	<u>\$ 2,261</u>

Depreciation charged to income in the Real Estate Division amounted to \$259,000 in 1972 and \$408,000 in 1971.

Opinion Of Independent Accountants

To the Board of Directors
and Shareholders of
Deltec International Limited

We have examined the Consolidated Balance Sheets of Deltec International Limited and its subsidiaries as of September 30, 1972 and September 30, 1971, and the related Consolidated Statements of Operations and Retained Earnings and of Changes in Financial Position for the years then ended. We have also examined the Food Distribution and Real Estate Divisions Statements of Combined Net Assets as of September 30, 1972 and September 30, 1971 and the related Food Distribution and Real Estate Divisions Combined Statements of Operations and of Changes in Financial Position for the two years then ended. Our examinations were made in accordance with generally accepted auditing standards and accordingly included such tests of

the accounting records and other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements examined by us present fairly the financial position of Deltec International Limited and its subsidiaries at September 30, 1972 and September 30, 1971, the combined net assets of its Food Distribution and Real Estate Divisions at those dates and the results of their respective operations and the changes in financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied after restatement of 1971 for changes, with which we concur, relating to the inclusion of the Real Estate Division as described in Note 1 to the financial statements.

PRICE WATERHOUSE & CO.

December 8, 1972

Transfer Agents and Registrars

Transfer Agent:

The Chase Manhattan Bank N.A.
New York, New York

Branch Transfer Agent:

The First National Bank of Chicago
Chicago, Illinois

Registrar:

Irving Trust Company
New York, New York

Branch Registrar:

The Northern Trust Company
Chicago, Illinois

Organizational Directory

The Deltec Banking Corporation Limited

P. O. Box N-3229
Nassau, Bahamas

Cable: PANDELTEC
Tel.: (809) 322-8730
Telex: NS 101

Board of Directors

IAN G. ARMSTRONG	JULIO E. NUÑEZ
DAVID BEATY III	GEORGE P. SHAW
JOSEPH G. CACIOPPPO	MAX A. STOLPER
SAMUEL T. CASTLEMAN	A. THOMAS TAYLOR
CLARENCE DAUPHINOT	ROBERTO J. TRUJILLO
JOSEPH E. DAVIS	AGUSTIN VEGA
ISAAC ZONANA	

Officers

CLARENCE DAUPHINOT, *Chairman of the Board*
DAVID BEATY III, *President*
JULIO E. NUÑEZ, *Deputy Chairman*
JOSEPH G. CACIOPPPO, *Executive Vice President*
SAMUEL T. CASTLEMAN, *Executive Vice President*
IAN G. ARMSTRONG, *Senior Vice President*
JOSEPH E. DAVIS, *Senior Vice President and Controller*
ROBERTO J. TRUJILLO, *Senior Vice President*
AGUSTIN VEGA, *Senior Vice President*
ISAAC ZONANA, *Senior Vice President*
DAVID N. BENJAMIN, *Treasurer*
FRANÇOIS H. DONOSO, *Vice President*
THE MARQUESS OF DOURO, *Vice President*
DAVID G. DUNBAR, *Vice President*
DAVID FORDER, *Vice President*
MARIO E. HALLER, *Vice President*
JACQUES G. HERRERA, *Vice President*
THEODORE KIENDL, JR., *Vice President*
CLAUS G. LABES, *Vice President*
ANTHONY LYNCH, *Vice President*
CARLOS L. MARTINEZ, *Vice President*
OSWALD B. NOTTAGE, *Vice President and Secretary*
MANUEL A. PULIDO, *Vice President*
LUCIANO ROJAS B., *Vice President*
JEFFREY A. WILLIAMS, *Vice President*
JOHN von BACHOFEN-ECHE, *Assistant Vice President*
JOSE PAULO BUENO, *Assistant Vice President*
KAROL CZARTORYSKI, *Assistant Vice President*
FERNANDO GARZA, *Assistant Vice President*
THOMAS A. GOOSSENS, *Assistant Vice President*
CARL W. von HARDENBERG, *Assistant Vice President*
W. JULIAN NOKES, *Assistant Vice President*
WILLIAM STIRLING, *Assistant Vice President*
GILBERT TULLER, *Assistant Vice President*
PETER-IGOR VAN MOOCK, *Assistant Vice President*
ERIC T. COOPER, *Assistant Controller*
STEPHANIE E. HARDING, *Administrative Officer and Assistant Secretary*
W. GEORGE BETHELL, *Operations Officer*

Deltec Trading Company Limited

11, Copthall Avenue
London EC2R 7LU, England

Cable: DELANVAL
Tel: 01-628-4761
Telex: 883306

Board of Directors

JULIO E. NUÑEZ, *Chairman*
THE MARQUESS OF DOURO, *Managing Director*
CLAUS G. LABES
JOHN von BACHOFEN-ECHE
HON. PHILIP HOWARD
BRUNO STUDACH

Officers

JEAN PIERRE AELLIG, *Manager*
KEN STONE, *Manager*
WILLIAM EDWARDS, *Assistant Manager*
DEREK FORD, *Chief Accountant*

Deltec Anval S. A.

Lausanne — 5 rue Marterey
Tel.: 021-202152
Tel.: 021-202165
Tel.: 021-202156

Telex: 24586
Telex: 24977
Telex: 24091

Paris — 18-20, pl. de la Madeleine
Tel.: 742-2013
Telex: 21031

Hamburg — Messberghof 2
Tel.: 321391
Telex: 2161265

Conseil d' Administration

JULIO E. NUÑEZ, *Président*
ERIC BAUDAT, *Juriste, Fides Union Fiduciaire*
JEAN COIGNY, *Directeur, Fides Union Fiduciaire et Peat, Marwick & Fides S.A.*
FRANÇOIS LUGEON, *Consul du Brésil, Administrateur Délégué de Sociétés*

Direction

Lausanne
ISAAC ZONANA, *Directeur Général*
MARIO E. HALLER, *Directeur Général Adjoint*
THOMAS A. GOOSSENS, *Directeur*
BRUNO STUDACH, *Directeur Adjoint*
GILBERT TULLER, *Directeur Adjoint*
MONIQUE BARBEY, *Fonde de Pouvoir*

Paris
THEODORE KIENDL, JR., *Directeur Général Adjoint*

Hamburg
CARL W. von HARDENBERG, *Directeur Adjoint*

Deltec Ibérica, S. A.

Juan Ramón Jiménez, 47
Madrid, España

Cable: DELTIBERICA

Tel.: 250-30-12

Telex: 22337

Consejo de Administración

S. A. R. DON CARLOS DE BORBON Y DE BORBON,
DUQUE DE CALABRIA, *Presidente*

CLARENCE DAUPHINOT

JACQUES G. HERRERA, *Directeur, Deltec Anval S.A.*

FRANCISCO MONTESINOS LOPEZ, *Socio,*

Bufete Vega Penichet

JULIO E. NUÑEZ,

MANUEL VEGA PENICHET, *Socio,*

Bufete Vega Penichet

Dirección y Funcionarios

S.A.R. DON CARLOS DE BORBON Y DE BORBON,
DUQUE DE CALABRIA, *Presidente*

JULIO E. NUÑEZ, *Vice-Presidente*

JACQUES G. HERRERA, *Consejero*

CARMELO DE LAS MORENAS, *Director-Gerente*

FRANCISCO MONTESINOS LOPEZ, *Secretario*

Bahag Banking Limited

Stampfenbachstrasse 7
Zurich, Suisse

Tel.: (051) 479-500

Cable: BAHAG ZURICH

Telex: 52197

Conseil d' Administration

DR. DIETHER von RECHENBERG, *Président*

ERIC BAUDAT

LOUIS VAN DAMME

PHILIPPE DE LOES

JULIO E. NUÑEZ

ALBERT SCHURTER

OSCAR M. UHLER

ISAAC ZONANA

Direction

WALTER M. NOEL, JR., *Directeur Général*

HERMANN U. WEBER, *Directeur*

BRUNO E. STUDACH, *Directeur Adjoint*

OTMAR BAUSER, *Mandataire*

MAX WOODTLI, *Mandataire*

HUGO ZEHNDER, *Mandataire*

Deltec Securities Corporation

1 Battery Park Plaza
New York, New York 10004

Tel.: (212) 944-2400

Cable: DELTSECUR

Telex: RCA-DSEC 232435

Western Union Int'l.-62113

Western Union-12-5559

Branch

2801 Ponce de Leon Boulevard

Coral Gables, Florida 33134

Cable: 512328

Tel.: (305) 443-2351

Board of Directors

STANLEY L. ROGGENBURG, *Chairman*

JOSEPH G. CACIOPPO

HARRY CHANG

THE MARQUESS OF DOURO

JOÃO ROBERTO HAFERS

RICHARD O'CONNELL

A. THOMAS TAYLOR

Officers

STANLEY L. ROGGENBURG, *President*

RICHARD O'CONNELL, *Executive Vice President*

HARRY CHANG, *Senior Vice President and Secretary*

HUGO ZAMORANO, *Vice President*

ARTHUR BYRNES, *Assistant Vice President*

JACK GOLDEN, *Assistant Vice President*

ALFREDO MONTERO, *Assistant Vice President*

ALBERT POPE, *Assistant Vice President*

FRANK N. CODISPOTI, *Treasurer*

JOHN CENTO, *Assistant Treasurer*

LEONARD ACCARDI, *Controller*

Argentaria S. A. Compañía Financiera

Cangallo 564

Buenos Aires, Argentina

Tel.: 33-8212/7

Cable: ARGENTARIA

Telex: 121122 AR ARTEX

Directorio

DAVID BEATY III

JULIO E. NUÑEZ

FEDERICO N. PADILLA

Funcionario

FRANÇOIS H. DONOSO, *Presidente*

Colombo Mexicana de Inversiones S.A.

Calle 19 No. 5-25 Piso 5
Apartado Aéreo 13538
Bogotá, Colombia

Cable: DELCOL
Tel: 34-65-69
Telex: Bogotá 44-679

Junta Directiva

ANDRES ECHAVARRIA O.
HERNAN ECHAVARRIA O.
MAX A. STOLPER
ROBERTO J. TRUJILLO

Funcionarios

LUCIANO ROJAS B., *Gerente*
MAURICIO LOPEZ O., *Asistente Gerente*

Banco de la Ciudad de México, S.A.

Paseo de la Reforma 364
México 6, D. F., México

Cable: PANDELTEC
Tel: 5-11-96-60
Telex: BANDELMEX
Code & No.: 017-72-489

Consejo de Administración

JAVIER BUSTOS, *Presidente del Consejo,*
Presidente, Banco Nacional de México, S.A.
AGUSTIN F. LEGORRETA, *Vice-Presidente del Consejo,*
Director General, Banco Nacional de México, S.A.
RUBEN AGUILAR, *Director Adjunto,*
Banco Nacional de México, S.A.
ALBERTO VELARDE, *Sub-Director,*
Banco Nacional de México, S.A.
CLAUDIO TERREIN, *Sub-Director,*
Banco Nacional de México, S.A.
AGUSTIN VEGA, *Presidente del Comité Ejecutivo*
EDUARDO VILLASEÑOR, *Ex-Director,*
Banco de México, S.A., Ex-Sub-Secretario de la
Secretaría de Hacienda y Crédito Público
ANTONIO RUIZ GALINDO, JR., *Sub-Director,*
D. M. Nacional, S.A.

Funcionarios

AGUSTIN VEGA, *Presidente de Comité Ejecutivo*
LIC. CARLOS GOROZPE, *Sub-Director de Valores y*
Promoción
JAVIER ARRANGOIZ, *Sub-Director Administrativo*

Prodelmex, S.A.

Paseo de la Reforma 364
México 6, D. F., México

Cable: PANDELTEC
Tel.: 5-11-96-60
Telex: BANDELMEX
Code & No.: 017-72-489

Consejo de Administración

JAMES B. SEELYE, *Chairman of Provident*
International Corporation
ALAIN de MAYNADIER, *President of Provident*
International Corporation and Senior Vice President
of Provident National Bank
MACLOVIO SIERRA de la GARZA, *Socio de*
Goodrich, Dalton, Little y Riquelme
AGUSTIN VEGA, *Senior Vice President of*
The Deltec Banking Corporation Limited
CARLOS L. MARTINEZ, *Gerente General y Tesorero*

Banque Anval S. A.

Avenida Manuel María Icaza No. 9
Panamá 5, República de Panamá

Tel.: 64-3033
Cable: PANVAL
Telex: ITT 3480206

Directorio

JOSEPH G. CACIOPPO
SAMUEL T. CASTLEMAN
JOSEPH E. DAVIS
ROBERTO J. TRUJILLO
MAX A. STOLPER
AGUSTIN VEGA
ISAAC ZONANA

Funcionarios

AGUSTIN VEGA, *Presidente*
RENE BOLIVAR, *Gerente*
ALEJANDRO NARANJO, *Tesorero*
JULIO A. QUIJANO, *Secretario*

Financiera Andina, S.A.

Azángaro 450
Apartado 4077
Lima, Perú

Cable: DEFCO
Tel.: 273107
Telex: PX 5278

Directorio

CLAUDE WARD, *Presidente del Directorio*
JUAN DUANY, *Director-Ejecutivo*
JORGE GRAÑA, *Director Gerente, Santa Magdalena, S.A.*
CARLOS MARSANO
CORNELIUS SANTOS

Funcionarios

CLAUDE WARD, *Director-Gerente*
JUAN DUANY, *Director-Ejecutivo*
JORGE GARCIA, *Sub-Gerente*
GONZALO GARLAND, *Secretario*

Deltec Venezuela, C. A.

Torre Phelps, Piso 11
Plaza Venezuela
Caracas, Venezuela

Cable: DELVEN
Tel.: 54-80-20
Telex: 22851 DELVEN

Junta Directiva y Funcionarios

ROBERTO J. TRUJILLO, *Presidente*
CLARENCE DAUPHINOT
LUIS IGNACIO MENDOZA, *Socio, Rodriguez y Mendoza*
ARTURO SOSA, HIJO, *Presidente, Finalven, S.A.*
MANUEL ANTONIO PULIDO, *Vice-Presidente*
FLORENTINO GALAN, *Contralor*

Deltec Trust Company Limited

Deltec House
Cumberland & Marlborough Streets
P. O. Box N-3229
Nassau, Bahamas

Cable: DELTRUST
Tel: (809) 322-8730
Telex: NS 101

Board of Directors

CLARENCE DAUPHINOT
JOSEPH G. CACIOPPO
ROBERTO J. TRUJILLO

Officers

ROBERTO J. TRUJILLO, *President*
ERIC T. COOPER, *Controller*
OSWALD B. NOTTAGE, *Secretary*
W. G. BETHELL, *Treasurer*
ROGER JENNINGS, *Cashier*
LOUREY BETHELL, *Assistant Cashier*

Deltec Anval Limited

Deltec House
Cumberland & Marlborough Streets
P. O. Box N-3229
Nassau, Bahamas

London Branch
11, Copthall Ave.
London EC2R 7LU, England
Tel.: 01-628-4761
Telex: 883744-5

Officers

CLAUS G. LABES, *General Manager*
JACQUES G. HERRERA, *Manager*
THEODORE KIENDL, JR., *Manager*
W. JULIAN NOKES, *Manager*

North American Foods Division of Deltec International Limited

2801 Ponce de Leon Boulevard
Coral Gables, Florida 33134

Cable: DELTECFOD
Tel.: (305) 443-2351
Telex: 512328

W. E. HAGERUP, *President*
F. O. NEWMAN, *Vice President & Controller*

Deltec Foods Limited

Deltec House,
G.P.O. Box 250,
193, St. John Street,
London, EC1P 1EN, England

Cable: DELTECFood
Tel.: 01-253-8400
Telex: LDN 25261-2

Board of Directors

U. G. HARLOW, *Chairman and Managing Director*
JULIO E. NUÑEZ
J. G. WATKINSON, *Executive Director, U. K. Division*
S. W. J. WALKER, *Secretary*

Deltec Foods (Benelux) S. A.

Korte Klarenstraat 9/A
2000 Antwerpen, België

Cable: DELTECFood
Tel.: (03) 33.39.40
Telex: 31168

Conseil d' Administration

U. G. HARLOW
N. G. DEKKER
G. NYBERG
R. W. LEACH
S. W. J. WALKER

Deltec Foods (Deutschland) GmbH.

Messberghof
Hamburg 1, B. R. Deutschland

Cable: DELTECFood
Tel.: 32.13.91.
Telex: 2161265

ADOLF VAN WAHDEN, *Generaldirektor*

Deltec Foods (Italia) S. P. A.

Piazzo Della Repubblica 32
20124 Milano, Italia

Cable: DELTECFood MILANO
Tel.: 669115

Consiglieri

U. G. HARLOW
E. A. FRANKLIN
S. W. J. WALKER

Deltec Foods (España) S. A. E.

Avenida José Antonio 678.5
Barcelona (10), España

Cable: DELTECFood
Tel.: 221.41.76
Telex: 54749

Consejo de Administración

U. G. HARLOW
T. BERDASCO
J. L. DOMINGUEZ
P. VILELLA
S. W. J. WALKER

Deltec Foods (Canada) Limited

2399 Cawthra Road
Mississauga, Ontario, Canada

Cable: DELTECFood
Tel.: (416) 270-1334
Telex: 069-61271

Board of Directors

JOHN F. WARD, *President*
B. J. COLGATE, *Secretary-Treasurer*
W. E. HAGERUP

Ingenio La Esperanza S. A.

Reconquista 336
Buenos Aires, Argentina

Cable: SACAROSA
Tel.: 49-6647

Directorio

CHARLES A. LOCKWOOD, *Director-Presidente*
ENRIQUE A. D. HOLMBERG, *Vice-Presidente*
DAVID BEATY III
MANUEL L. J. D'ORNELLAS
JUAN GYSELYNCK, *Presidente de Compañía*
Química, S. A.
MARCELO A. ARANDA, *Socio del Estudio Beccar-Varela*
GUILLERMO H. VAN DEURS, *Vice-Presidente de la*
Compañía Financiera de Londres, S. A.
MAX RAUTENSTRAUCH BRACHT, *Vice-Presidente de*
Crédito Mobiliario y Financiero Bracht, S. A.
RAUL N. DEL SEL
ALFREDO A. STEWART, *Director Suplente, Gerente*
Apoderado de la Sociedad
PAUL H. COX, *Administrador del*
Ingenio en Jujuy
JIM A. LORD, *Administrador, Delegado del*
Ingenio en Jujuy
JOSE CLAUDIO DOHEIJO, *Gerente General*

Swift New Zealand Company Limited

Ngauranga Gorge
P. O. Box 793
Wellington C. 1., New Zealand

Cable: SWIFTCIA
Tel.: 58.896
Telex: NZ3401

Board of Directors

SIR CLIFFORD PLIMMER, K. B. E.,
Chairman of the Board
E. ROBERTS, *Managing Director*
I. E. STOCK, *Finance Director and Secretary*
A. H. WARD
F. WESTCOTT, *Manager, Wairoa Plant*

Swift Australian Company (Pty.) Limited

85 Eagle Street
G. P. O. Box 1113, Brisbane
Queensland 40001, Australia

Cable: SWIFTCIA
Tel.: Brisbane 213888
Telex: AA 40774

Board of Directors

A. BASSINGTHWAIGHTE, *Chairman of the Board and
Managing Director*
A. THOMAS TAYLOR
SIR RUPERT CLARKE, *Chairman and Managing
Director of King Ranch Australia (Pty.) Limited*
PETER BAILLIEU, *Chairman and Managing Director of
King Ranch Pastoral Company (Pty.) Limited*
L. W. FARNSWORTH, *Chairman and Managing Director
of George Patterson (Pty.) Limited*
P. A. MAKY, *Secretary*

All options outstanding may be summarized as follows:

<u>Options Outstanding</u>	<u>OPTION PRICE (U.S.DOLLARS)</u>		<u>Expiration Date</u>
	<u>Per Share</u>	<u>Total</u>	
9,000	\$14.870	\$ 133,830	December 18, 1973
177,000	5.750	1,017,750	September 27, 1976
35,000	6.250	218,750	December 13, 1976
8,000	8.625	69,000	May 21, 1977
<u>13,000</u>	<u>8.625</u>	<u>112,125</u>	<u>September 17, 1977</u>
<u>242,000</u>		<u>\$1,551,455</u>	

13. STOCK EXCHANGE LISTINGS

The Company's shares are listed on the New York Stock Exchange and those of its subsidiary, Ingenio La Esperanza S.A., are listed on the Buenos Aires Stock Exchange.

14. SECURITIES COMMISSIONS FILINGS

The Company has made the required filings in respect of its shares with the Securities and Exchange Commission, Washington, D.C.

15. FISCAL YEAR

The fiscal year of the Company ends September 30.

16. ANNUAL MEETINGS

The annual meeting of shareholders is held in January. For the past three years, these meetings have been held in New York City, the most recent of them having been held on January 15, 1973.

17. PRINCIPAL OFFICE

The Company's principal office is maintained at Deltec House, Cumberland and Marlborough Streets, P.O. Box N-3229, Nassau, Bahamas.

18. TRANSFER AGENTS

Transfer Agent: The Chase Manhattan Bank N.A., 1 Chase Manhattan Plaza, New York, New York.

Branch Transfer Agents: The First National Bank of Chicago, First National Plaza, Chicago, Illinois, and The Royal Trust Company, P.O. Box 7500, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario.

The Company's shares are interchangeably transferable at each City.

19. TRANSFER FEES

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

20.

REGISTRARS

Registrar: Irving Trust Company, 1 Wall Street, New York, New York.

Branch Registrars: The Northern Trust Company, LaSalle Street, Chicago, Illinois, and National Trust Company, Limited, 21 King Street East, Toronto, Ontario.

21.

AUDITORS

The Company's auditors are Messrs. Price, Waterhouse & Co.

22.

DIRECTORS

The Company's Directors are;

<u>Name</u>	<u>Address</u>	<u>Occupation</u>
David Beaty, III	Aymore Ltda. Rua Formosa 367, 11 andar Sao Paulo, Brazil	Executive Vice-President, Deltec International Limited.
A. Oakley Brooks	Deltec International Limited 1 Battery Park Plaza New York, New York 10004	Vice-Chairman of the Board, Deltec International Limited
Joseph G. Cacioppo	Deltec International Limited P.O. Box N-3229 Nassau, Bahamas	Director and Senior Vice-President, Deltec International Limited
Sir Rupert Clarke	A.M.P. Tower 535 Bourke Street Melbourne, Victoria 3000 Australia	Chairman and Managing Director, King Ranch (Australia) Pty. Ltd.
Clarence Dauphinot	Deltec International Limited P.O. Box N-3229 Nassau, Bahamas	President, Deltec International Limited
Leroy G. Denman, Jr.	Denman, Franklin & Denman Suite 535, Travis Park West 711 Navarro Street San Antonio, Texas 78205	Partner, Denman, Franklin & Denman
Lowell S. Dillingham	Dillingham Corporation P.O. Box 3468 Honolulu, Hawaii	Chairman and Chief Executive Officer, Dillingham Corporation
Hernan Echavarria O.	Apartado Aereo No. 8585 Calle 23, No. 7-36 Bogota, D.E., Columbia	President, Azulejos Corona Ltda. and Laminas del Caribe S.A.
Agustin E. Edwards	Foods, International PepsiCo., Inc. Anderson Hill Road Purchase, New York	Vice-President, Foods, International
Francis L. Herbert	Swift-Armour S.A. Industria e Comercio Rua Formosa 367, 9 andar Sao Paulo, Brazil	Executive Vice-President, Deltec International Limited
Robert J. Kleberg, Jr.	King Ranch Kingsville, Texas	President, King Ranch, Inc.
Frederick A. Klingenstein	Wertheim & Co. 1 Chase Manhattan Plaza New York, New York 10005	Chairman of the Board and President, Wertheim & Co., Inc.
Gustave L. Levy	Goldman, Sachs & Co. 55 Broad Street New York, New York 10005	Partner, Goldman, Sachs & Co.
Salim L. Lewis	Bear Stearns & Co. One Wall Street New York, New York 10005	Partner, Bear Stearns & Co.

<u>Name</u>	<u>Address</u>	<u>Occupation</u>
Julio E. Nunez	Deltec Anval S.A. 11 Copthall Avenue London EC2R 7LU, England	Executive Vice-President, Deltec International Limited
Sir Clifford Plimmer, K.B.E.	I.B.M. Center 155-161 The Terrace Wellington, New Zealand	Chairman, New Zealand Breweries Ltd.
William Wood Prince	F.H. Prince & Co., Inc. One First National Plaza Chicago, Illinois 60670	President, F.H. Prince & Co., Inc.
Joseph E. Rich	Morton-Norwich Products, Inc. 110 North Wacker Drive Chicago, Illinois	Vice-President, Morton-Norwich Products, Inc.
Vincent A. Rodriguez	Sullivan & Cromwell 48 Wall Street New York, New York 10005	Partner, Sullivan & Cromwell
A. Thomas Taylor	Deltec International Limited Suite 3702, 135 South LaSalle Chicago, Illinois 60603	Chairman of the Board, Deltec International Limited
Gustavo J. Vollmer	Central E. Palmar, S.A. Avenida Vollmer 1 Cagua Caracas, Venezuela	President, Central E. Palmar S.A.

23.

OFFICERS

The Company's Officers are:

<u>Name</u>	<u>Address</u>	<u>Office</u>
Ian G. Armstrong	Rua Formosa 367, 11 andar Sao Paulo, Brazil	Vice-President
Arthur Bassingthwaighte	85 Eagle Street Brisbane, Queensland 40001 Australia	Vice-President
David Beaty III	Rua Formosa 367, 11 andar Sao Paulo, Brazil	Executive Vice-President
A. Oakley Brooks	1 Battery Park Plaza New York, New York 10004	Vice-Chairman
Joseph G. Cacioppo	Cumberland and Marlborough Streets Nassau, The Bahamas	Senior Vice-President
Samuel T. Castleman	Cumberland and Marlborough Streets Nassau, The Bahamas	Vice-President
Harry Chang	One Battery Park Plaza New York, New York 10004	Treasurer
Clarence Dauphinot	Cumberland and Marlborough Streets Nassau, The Bahamas	President
Joseph E. Davis	Cumberland and Marlborough Streets Nassau, The Bahamas	Vice-President and Controller
Clement J. Driscoll	One Battery Park Plaza New York, New York, 10004	Vice-President and Secretary
Anthony J.B. Franklin	Cumberland and Marlborough Streets Nassau, The Bahamas	Assistant Controller
Ulrich G. Harlow	193 St. John Street London EC1P 1EN, England	Vice-President
Francis L. Herbert	Rua Formosa 367, 9 andar Sao Paulo, Brazil	Executive Vice-President
Enrique A.D. Holmberg	Reconquista 336 Buenos Aires, Argentina	Vice-President
Frederick O. Newman	2801 Ponce de Leon Boulevard Coral Gables, Florida	Vice-President
Julio E. Nunez	11 Copthall Avenue London EC2R 7LU, England	Executive Vice-President

<u>Name</u>	<u>Address</u>	<u>Office</u>
Edwin Roberts	Ngauranga Gorge Wellington C.1, New Zealand	Vice-President
David M. Skelton	Cumberland and Marlborough Streets Nassau, The Bahamas	Assistant Controller
Max A. Stolper	Cumberland and Marlborough Streets Nassau, The Bahamas	Vice-President
Agustin Vega	Paseo de la Reforma No. 364 Mexico 6, D.F., Mexico	Vice-President
Claude Ward	Azangaro 450 Lima, Peru	Vice-President
Robert C. Zircher	2801 Ponce de Leon Boulevard Coral Gables, Florida	Vice-President
Isaac Zonana	5, Rue Marterey Lausanne, Switzerland	Vice-President

All of the above directors and officers have been engaged in substantially the same occupations as those shown under "Occupation" or "Office" above, except the following who were engaged in the occupations shown below prior to the dates indicated:

<u>Name</u>	<u>Date</u>	<u>Occupation</u>
A. Oakley Brooks	April 1, 1973	Chairman of the Board Wood, Struthers & Winthrop Inc. New York, New York
Samuel T. Castleman	November 1, 1971	Senior Vice-President American Security and Trust Company Washington, D.C.
Anthony J.B. Franklin	March 15, 1970	Chartered Accountant Peat, Marwick, Mitchell & Co. Winnipeg, Manitoba
David M. Skelton	November 1, 1968	Chartered Accountant Ernst & Ernst Montréal, Québec

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, Deltec International Limited hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

DELTEC INTERNATIONAL LIMITED

Per: "MAX A. STOLPER",
Vice-President



Per: "C.J. DRISCOLL",
Vice-President and Secretary

May 31, 1973

DISTRIBUTION OF COMMON STOCK AS OF MAY 15, 1973

Number				Shares
5,056	.....	Holders of	1 — 24 share lots	..... 27,775
1,343	.....	Holders of	25 — 99 share lots	..... 59,515
1,859	.....	Holders of	100 — 199 share lots	..... 195,355
610	.....	Holders of	200 — 299 share lots	..... 125,118
194	.....	Holders of	300 — 399 share lots	..... 59,648
103	.....	Holders of	400 — 499 share lots	..... 41,743
276	.....	Holders of	500 — 999 share lots	..... 164,909
<u>320</u>	.....	Holders of	1000 — up share lots	..... <u>3,688,784</u>
<u>9,761</u>	Shareholders			Total shares <u>4,362,847</u>

